THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should also carefully consider the section entitled "Risk Factors" set out in Part 2 of this document before taking any action.

The Directors of Beowulf Mining plc ("the Company"), whose names appear on page 5 of this document, accept responsibility individually and collectively for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief 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. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document. Under no circumstances should the information contained in this document be relied upon as being accurate at any time after Admission.

Application has been made for all the Ordinary Shares of the Company to be admitted to trading on AIM. It is expected that dealings in the Ordinary Shares will commence on AIM on 9 May 2005. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority ("Official List").

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of these securities to the Official List. London Stock Exchange plc has not itself examined or approved the contents of this document. Apart from the application for admission to AIM, the Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been made.

This document, which comprises an Admission Document, has been drawn up in accordance with the requirements of the AIM Rules and does not comprise a prospectus in accordance with the Public Offers of Securities Regulations 1995 (as amended).

BEOWULF MINING PLC

(Incorporated in England and Wales under the Companies Act 1985 with Registered Number 2330496)

Admission to trading on AIM

Nominated Adviser

Broker

Ruegg & Co Limited

Phillip Securities (UK) Limited

Share Capital immediately following Admission

Auth	norised		Issued a	and fully paid
Amount	Number		Amount	Number
£2,000,000	200,000,000	Ordinary Shares of 1p each	£560,232.47	56,023,247

This document does not constitute an offer or invitation to subscribe for or to purchase any securities in the Company. No Ordinary Shares have been, or are proposed to be, offered to the public in connection with the application for admission to AIM.

Ruegg & Co Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is the Company's Nominated Adviser for the purposes of the AIM Rules. Its responsibilities as the Company's Nominated Adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person. No representation or warranty, express or implied, is made by Ruegg & Co Limited as to the contents or the completeness of this document. Ruegg & Co Limited is acting for the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of Ruegg & Co Limited nor for providing advice in relation to the contents of this document or any other matter referred to herein.

Phillip Securities (UK) Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is the Company's broker for the purposes of the AIM Rules. No representation or warranty, express or implied, is made by Phillip Securities (UK) Limited as to any of the contents or completeness of this document. Phillip Securities (UK) Limited is acting for the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of Phillip Securities (UK) Limited nor for providing advice in relation to the contents of this document or any other matter referred to therein.

CONTENTS

		Page
DEFINIT	IONS	3
EXPECT	ED TIMETABLE	4
ADMISS	ION STATISTICS	4
DIRECT	ORS, SECRETARY AND ADVISERS	5
PART 1	INFORMATION ON THE COMPANY	6
	Introduction	6
	Beowulf's Exploration Permits in Northern Sweden	7
	Sweden	7
	Jokkmokk	8
	Grundträsk	8
	Ussalahti	9
	Shetland Islands	9
	Current Trading and Future Prospects	9
	Directors	9
	Staff	10
	Reasons for Admission	10
	Admission to AIM and Dealings in Ordinary Shares	10
	CREST	10
	Corporate Governance	10
	Share Dealing Code	11
	Lock-ins and Orderly Market Arrangements	11
	Dividend Policy	11
	Options	11
	Taxation	11
PART 2	RISK FACTORS	12
PART 3	FINANCIAL INFORMATION	16
	SECTION A: ACCOUNTANT'S REPORT ON BEOWULF MINING PLC	16
	SECTION B: UNAUDITED PRO FORMA STATEMENT OF NET ASSETS	28
PART 4	COMPETENT PERSON'S REPORT	29
PART 5	STATUTORY AND GENERAL INFORMATION	64

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Act"	the Companies Act 1985, as amended
"Admission"	the admission of the issued and to be issued ordinary share capital of the Company to trading on AIM and such admission becoming effective in accordance with the AIM Rules
"Agricola"	Agricola Resources plc, a company whose shares are traded on the Ofex market
"AIM"	a market operated by London Stock Exchange
"AIM Rules"	the rules for companies governing admission to and trading on AIM, published by London Stock Exchange
"Articles"	the articles of association of the Company
"Beowulf" or "the Company"	Beowulf Mining plc
"Board" or "the Directors"	the directors of the Company listed on page 5 of this document
"Competent Person's Report"	the independent report from IEA which appears in Part 4 of this document
"CREST"	the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument administered by CRESTCo Limited
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755)
"IEA"	Independent Engineers (Australia) Pty Ltd
"Joint Venture"	the arrangement between the Company and Phelps Dodge pursuant to the Joint Venture Agreement
"Joint Venture Agreement"	the option agreement between the Company and Phelps Dodge Exploration Sweden AB dated 2 April 2004 (as amended on 28 June 2004) as summarised in paragraph 10.7 of Part 5 of this document
"JORC Code"	the Australian Code for reporting of mineral reserves and ore reserves issued by the Joint Ore Reserves Committee
"London Stock Exchange"	London Stock Exchange plc
"Ofex"	a market operated by Ofex plc
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares"	ordinary shares of 1p each in the capital of the Company
"Phelps Dodge"	Phelps Dodge Exploration Sweden AB
"Phillip Securities"	Phillip Securities (UK) Ltd
"POS Regulations"	the Public Offers of Securities Regulations 1995, as amended
"Ruegg" or "Ruegg & Co"	Ruegg & Co Limited
"SGU"	Swedish Geological Survey
"UK"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000

A glossary of technical terms can be found at the end of Part 4 of this document.

EXPECTED TIMETABLE

Publication of this document	29 April 2005
Admission and dealings in the Ordinary Shares to commence on AIM	9 May 2005

ADMISSION STATISTICS	
Number of Ordinary Shares in issue at Admission	56,023,247
Number of options and warrants outstanding upon Admission*	29,817,033
Market capitalisation of the Company at 10p per Ordinary Share**	£5,602,325

*This includes the options to be issued on Admission to Ruegg & Co and Phillip Securities. Full details of all warrants and options are set out on pages 65 to 66 of this document.

**Being the mid-price per Ordinary Share at close of business on 27 April 2005 as quoted on Ofex.

Γ

DIRECTORS, SECRETARY AND ADVISERS

Directors	Dr Robert Douglas Young <i>Managing Director</i> Jan-Ola Larsson <i>Executive Director</i> Edward Taylor <i>Non-Executive Finance Director</i> Anthony Charles Raby Scutt <i>Non-Executive Director</i> All of :-
Registered Office	1 Green Hill Little Thetford Ely Cambridgeshire CB6 3HD
Company Secretary	Edward Taylor
Nominated Adviser	Ruegg & Co Limited 39 Cheval Place London SW7 1EW
Broker	Phillip Securities (UK) Limited 6th/7th Floors Candlewick House 20 Cannon Street London EC4N 6AS
Reporting Accountants	Price Bailey LLP The Quorum Barnwell Road Cambridge CB5 8RE
Auditors	Price Bailey LLP Richmond House Broad Street Ely Cambridgeshire CB7 4AH
Solicitors to the Company	Hewitsons Shakespeare House 42 Newmarket Road Cambridge CB5 8EP
Independent Geological Consultant and Competent Person	Independent Engineers (Australia) Pty Ltd 3 Macintosh Street Auchenflower Queensland 4066 Australia
Bankers	Royal Bank of Scotland 48 Haymarket London SW1Y 4SE
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART 1

INFORMATION ON THE COMPANY

Introduction

Beowulf, which has its head office in Cambridgeshire, is a public company whose shares are currently traded on Ofex and is seeking admission to AIM.

The Company is engaged in mineral exploration and is focused primarily on exploration for copper and gold deposits in three areas of northern Sweden:

- 1. The "Jokkmokk" area, consisting of the Majves 1 and 2, Tjäula and Kårvo exploration permits covering 8,200 hectares.
- 2. The "Grundträsk" area, consisting of the Grundträsk 1, 2 and 3 exploration permits covering 4,276 hectares.
- 3. The "Ussalahti" area, consisting of the Ussalahti 1, 2 and 3 exploration permits covering 923 hectares.

Zones of mineralisation have been identified in two of these areas and will be the subject of further investigation during 2005, including a diamond drilling programme. The Directors will attempt to secure additional exploration claims in Sweden and possibly other Scandinavian countries during 2005 and 2006. In order to expand its activities Beowulf will seek other joint venture partners.

The Beowulf project areas in northern Sweden are located in areas underlain by geology with a proven potential for hosting iron oxide copper gold, orogenic lode-gold and stratiform copper-gold deposits. The first two of these types of mineralisation support mining operations in northern Sweden – the Aitik copper mine and the Svartliden gold mine.

The first project area is at Jokkmokk, where a boulder containing a high grade of copper was located by geological investigations in 2003. During 2004, Beowulf and Phelps Dodge via the Joint Venture, conducted drilling and mobile metal ion geochemistry over the Majves claims. This showed an intersection of 110 metres of 0.82% copper equivalent. Drilling of an initial 1,500 metres has commenced in 2005 under the Joint Venture and if the drill results are positive it is anticipated that additional drilling will be undertaken. It is hoped that an iron oxide copper gold deposit will be outlined in 2005.

The second project area is Grundträsk in the Skellefte mining district. Diamond drilling during 2004 revealed gold mineralisation of over one gram per tonne of ore over widths of up to 17 metres. Diamond drilling undertaken in February 2005 was to test a geophysical anomaly with associated sulphide boulders containing up to 11 grams of gold per tonne of ore and 208 grams of silver per tonne of ore. Whilst the gold assay results have not yet been completed by the laboratory in Canada, the Competent Person's Report confirms that the mineralisation extends for at least 600 metres. The Skellefte mining district contains several large base metal and gold deposits, where mining has taken place since the 1920's.

The third project area is at Ussalahti in the Kiruna mining district where the exploration rights owned by Beowulf cover approximately 9 square kilometres. The concessions were granted in January and February 2005 and are considered by the Directors to be prospective for copper and gold volcanogenic massive sulphide deposits.

The interest in these Swedish project areas by Beowulf comes at a time when world commodity prices have been increasing in the face of rising demand from the newly-emerging industrial nations of China and India. Sweden, with favourable fiscal legislation for mining and exploration companies, is experiencing a boom in exploration for metals. A number of the world's major mining companies are actively exploring or reappraising Sweden's established mineral areas, as are several junior exploration companies.

The Company's executive Directors have a proven track record of operating in northern Sweden and believe that Beowulf enjoys good relations with the national and local mining authorities and is well regarded by the local populace.

Beowulf also has an indirect interest in exploration for platinum on the Alexander Sandison property on the Isle of Unst, Shetland Islands through the Company's shareholding in Agricola. Beowulf owns 7,500,000 shares in Agricola (representing approximately 9% of the issued capital) and in addition will receive a royalty on production of US\$1 per ounce of platinum, if it is produced, for 25 years from 22 March 2004. Agricola conducted an exploration programme over the property in 2004, indicating areas where reserves with potentially economic grades of platinum group metals exist.

Beowulf's Exploration Permits in Northern Sweden

Beowulf currently holds ten exploration permits in northern Sweden, as tabulated below.

Claim Name	Size(km ²)	Date Granted	Valid Until
Grundträsk			
Grundträsk 1	20.63	03-11-2003	03-11-2006
Grundträsk 2	15.75	13-02-2004	13-02-2007
Grundträsk 3	6.38	13-02-2004	13-02-2007
Jokkmokk			
Majves 1	38.00	03-04-2003	03-04-2006
Majves 2	6.50	06-06-2003	06-06-2006
Kårvo 1	15.50	03-04-2003	03-04-2006
Tjäula 1	22.00	03-04-2003	03-04-2006
Ussalahti			
Ussalahti 1	4.60	26-01-2005	26-01-2008
Ussalahti 2	2.63	26-01-2005	26-01-2008
Ussalahti 3	2.00	17-02-2005	17-02-2008
Total	133.99		

All permits are currently 100% owned by Beowulf, subject to the rights granted to Phelps Dodge over the four Jokkmokk licences under the Joint Venture Agreement. The permits are governed by the Mineral Act (1991:45) with amendments in 1993, 1998 and 1999. According to this act an exploration permit is granted for three years and can be extended up to a total of 15 years if special conditions are met. Further information on the licences can be obtained from the Office of the Mining Inspectorate in Luleå. (Bergsstaten, Varvsgatan 41, S-972 32, Luleå, Sweden).

Sweden

Sweden has a long mining history and is one of the principal countries within the European Union that supports an active exploration and mining industry. Sweden accounted for 88% of iron ore, 29% of gold, 25% of lead, 19% of zinc, 18% of silver and 11% of copper produced in Europe in 2002. According to the SGU, three new mines – including the Svartliden gold mine in northern Sweden – have been permitted and commenced production within the past four years.

Sweden offers the following attractions for mineral exploration and development:

- large geological potential with relatively under-explored areas;
- modern mineral legislation, which includes no mineral royalty, low corporation tax and financial incentives;
- skilled work force;
- excellent infrastructure;
- political and economic stability;
- long history of mining;
- good geological information service.

Sweden is now rated as one of the most attractive countries for mineral exploration in the world, and it is for this reason that Beowulf is concentrating the majority of its effort there.

Jokkmokk

The exploration permits owned by Beowulf are just to the north of the Arctic Circle, about 45 kilometres west of Jokkmokk town and they are about 130 kilometres by road from Luleä, which is the major town of the region. Within the Jokkmokk exploration area there are major tarred roads, a number of high standard forest roads and there is a hydro-electric scheme within the immediate vicinity. One of Europe's largest copper mines (Aitik) is approximately 90 kilometres to the north-east.

Mineralisation was located in the Jokkmokk area in the 1970's by the state Swedish geological company (SGAB).

In 2003 Beowulf located a boulder with high grades of copper, a few kilometres south-east of the drill intersection obtained in 2004 (see below). As a result Beowulf signed the Joint Venture Agreement. Under its terms, which are set out in paragraph 10.7 of Part 5, Phelps Dodge will have the right to earn up to 80% ownership of any deposit found on the 82 square kilometres of the Jokkmokk project area by funding all exploration costs, including a full bankable feasibility study on any deposit found. Following a decision to proceed to development, Beowulf will have to fund its 20% share of the development costs to retain its interest, or revert to a 1.5% net smelter return.

In 2004, diamond drilling pursuant to the Joint Venture revealed an intersection of 110 metres of 0.82% copper equivalent on the Majves 1 exploration permit. The optimal part of this intersection was 37.60 metres of 1.25% copper equivalent from 91.40 to 129 metres (which equates to 0.87 grams of gold per tonne of ore, 8 grams of silver per tonne of ore, 0.63% copper and 0.21% zinc). The permits are underlain by volcanic and intrusive rocks of Proterozoic age, which are prospective for gold and base metals.

Drilling carried out during 2004 at the Majves area in the Jokkmokk project area has confirmed the existence of copper-gold mineralisation with many similarities to the iron oxide copper gold model, and emphasised the potential for an economic discovery of the target style of mineralisation. Phelps Dodge, under the terms of the Joint Venture Agreement, will conduct the next phase of exploration on the Jokkmokk project area.

Phelps Dodge has commenced the initial drilling of 1,500 metres of the 2005 drilling campaign on the Jokkmokk licence area. If good results are obtained then it is anticipated that further drilling will be undertaken during the year.

Grundträsk

The three Grundträsk permits are 100% owned by Beowulf. They are located about 25 kilometres east of the municipality of Malä within the Skellefte mining district. The Skellefte mining district has been the host for a number of mining operations.

To date, nine diamond drill holes have been completed by Beowulf on the permits, three in each of 2003, 2004 and 2005. Potentially economic gold mineralisation was found in the 2003 and 2004 drillings. The best intersections was 17.3 metres of 1.05 grams of gold per tonne of ore, with the best assay being 3.94 grams of gold per tonne of ore. The assay results for the 2005 diamond drilling are awaited. Part of the diamond drillings undertaken in 2005 were located on geochemical and geophysical targets away from the previous drillings and it is hoped that economic gold grades will be found.

The host rock for the gold mineralisation is a brecciated fine grained and altered volcanic rock with numerous irregular narrow veins of calcite and quartz. The gold mineralisation appears to be closely associated with disseminated sulphide mineralisation consisting of arsenopyrite, chalcopyrite and pyrite. The drillholes tend to intersect the gold structures almost perpendicular to the core length, which indicate that the drill intersections represent the true width of the gold mineralisation.

The combined results of the 2003 and 2004 drilling show that within the target area, gold-bearing mineralised zones of economic potential can be defined over a length exceeding 600 metres, as confirmed by the Competent Person's Report. The potential length of the gold mineralisation, as indicated from IP-geophysics, is more than 1.2 kilometres. The total length of the IP anomalies, all of which have been selected for future drill-testing, exceeds 12 kilometres. Line-profile IP surveys are also planned for the summer of 2005 to define the source drill targets in the local region of the high-grade gold-silver boulder previously reported.

Previous exploration for gold deposits in the area included production of detailed geochemical and geophysical surveys covering a large part of the northern side of the Skellefte mining district during the 1990's. These surveys defined the Grundträsk area as having gold potential. In 1996 when the price of gold fell this exploration programme ceased. Beowulf was offered access to the exploration data by the Scanex Group and Mirab Mineral Resources AB. After reviewing the data Beowulf signed an agreement with these companies. Beowulf acquired

the exploration data for an initial US\$5,000 payment and has paid a further US\$2,000 and agreed to pay a 1% net smelter revenue on any production within the Grundträsk area.

Detailed exploration by Beowulf during 2003 and 2004 at Grundträsk has confirmed and extended the gold mineralisation, which is now known to occur over a strike length of at least 600 metres in one locality, and there remain numerous geochemical and geophysical targets for testing. Beowulf has prepared a comprehensive and ambitious exploration plan at Grundträsk, which IEA considers is appropriate in scope and realistic in cost. This exploration will continue to test the possible extensions from the known occurrences of gold mineralisation as well as new targets defined by earlier geochemical and geophysical surveys.

Ussalahti

Three exploration permits have been issued to the Company in 2005 by the Swedish state mining authority, Bergsstaten. The claims are located on the northern edge of the Kiruna mining district about 40 kilometres north of the town of Kiruna in the north of Sweden.

The permits have drill-ready exploration targets and Beowulf intends to seek a partner to form a joint venture over these exploration permits.

The Kiruna mining district is a renowned mining district. The largest mines in the area have been for iron, but copper production has also been significant. Between 1983 and 1997 the Viscaria Mine located five kilometres west of Kiruna produced 12.5 million tonnes of ore from an in-situ mineable tonnage of 14.2 million tonnes grading 3.5% copper and 0.3 grams of gold per tonne of ore. Located 10 kilometres to the south of the Viscaria mine was the Pahtohavare deposit, which between 1989 and 1997 produced 1.69 million tonnes of ore with 1.89% copper and 0.88 grams of gold per tonne of ore.

Within the Kiruna district, a number of junior companies and several major companies, including Anglo American plc, BHP Billiton and Phelps Dodge Corp. are actively exploring for copper/gold deposits both of the iron oxide copper gold and stratigraphic Viscaria-type volcanogenic copper sulphide deposits. The largest holder of exploration claims in the area is the Lundin Mining Corporation.

The Directors believe that the acquisition of the Ussalahti exploration permits, which contain good geophysical and geochemical targets for copper-gold mineralisation, makes Beowulf well positioned to play an important role in the exploration for copper and gold in the Kiruna district.

Shetland Islands

In March 2004 Beowulf completed an agreement with Agricola to sell its exclusive exploration rights in Unst for 7,500,000 Agricola ordinary shares of £0.01 each plus a US\$1 per ounce royalty on all future production of platinum from the area covered by these exploration rights for a period of 25 years. Further details are set out in paragraph 10.9 of Part 5 of this document. During 2004 Agricola conducted geochemical soil sampling, bedrock sampling and geological studies over the Alexander Sandison exploration rights on the Isle of Unst.

Current Trading and Future Prospects

At present, the Company has no trading profits, as its principal activity is the exploration of its permits in Sweden.

The Directors intend to develop the Company's assets to the point of completion of a full bankable feasibility study on any of its existing projects at which point a decision will be taken whether to mine or sell the assets.

Directors

Robert Douglas Young, BSc MSc PhD, (aged 60) – Executive Chairman

Dr Young holds a first class honours degree in geology and chemistry, an MSc in Mineral Exploration and a PhD in geochemistry. He has over 30 years of varied experience in the mining industry of Europe and South East Asia. Positions held include director of Minerex Limited (Ireland) between 1972 and 1977 and Chief Metals Geologist for Shell Minerals (Indonesia) between 1980 and 1984. Dr Young was the founding Managing Director of Cambridge Mineral Resources PLC, where he was a director between 1992 and 1997 and was a director of Angus & Ross PLC between 1999 and 2002, both of which he floated on Ofex and then moved to AIM.

Jan-Ola Larsson, Fil.kand, PhD, DIC, (aged 63) – Technical Director

Dr Larsson holds a geology degree from Uppsala University and a PhD in geochemistry from The Royal School of Mines, Imperial College of Science and Technology, London University. He studied with Dr Young between 1968 and 1971. He has over 30 years experience of mining and mineral exploration in Canada, Brazil and Sweden. He has held positions with Barringer Research (Canada), Tetron Mineracao S/A (Brazil) LKAB Exploration (Sweden), North Star Diamonds AB (Sweden) and was Head of Geochemistry for the SGU.

Anthony Charles Raby Scutt ACIS (aged 64) – Non-executive Director

Mr Scutt is a Chartered Secretary and a Certified Internal Auditor with the U.S. Institute of Internal Auditors. He has 34 years of financial management experience with Shell International Petroleum and has worked in many parts of the world, including the Malagasy Republic, East and Central Africa, South Vietnam, Singapore, the Philippines, Gabon, and latterly as the Chief Internal Auditor of Shell UK. He then went on to become an investment analyst, writer and investor, and was one of the very first investors in, and supporters of, Beowulf. He is also a non-executive director of Starvest plc.

Edward Taylor (Aged 57) – Non-executive Director and Company Secretary

Mr Taylor has worked in various accounting, human resources, administration and company secretary positions in the natural resources sector including for Hardy Oil and Gas, British Borneo Oil and Gas plc, LASMO (now AGIP (UK) plc and Angus & Ross PLC. Presently he has assignments for Yukos Services (UK) Ltd and Estelar Resources PLC.

Staff

Other than the Directors, the Company currently employs no staff.

Reasons for Admission

The Directors are seeking to list the Company's shares on AIM both to provide access to capital via a broader investor base and to enhance the Company's visibility in the international mineral exploration market. The Directors believe that the profile and status of the Company will be enhanced by Admission.

Admission to AIM and Dealings in Ordinary Shares

Application has been made for the Ordinary Shares of the Company to be admitted to trading on AIM. Dealings in the Ordinary Shares are expected to commence on 9 May 2005.

Ruegg & Co has been appointed as the Company's Nominated Adviser and Phillip Securities as broker in relation to Admission.

CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The Company's Articles permit the holding of Ordinary Shares to be evidenced in uncertificated form in accordance with the CREST Regulations. The Ordinary Shares were admitted to CREST on their admission to trading on Ofex in June 2003. Accordingly settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system, should shareholders so wish.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

All the Ordinary Shares will be in registered form and no temporary documents of title will be issued.

Corporate Governance

The Directors intend that the Company will comply with the main provisions of the guidelines set out in the Principles of Good Corporate Governance and Code of Best Practice ("Combined Code") in so far as is appropriate having regard to the size and nature of the Company. The Company has appointed two non-executive directors with relevant experience to complement the executive directors and to provide an independent view to the Board.

An audit committee, comprising the non-executive Directors, has been established by the Company to operate from Admission. The audit committee will be chaired by Anthony Scutt and will meet at least twice each year. The audit committee will be responsible for ensuring that appropriate financial reporting procedures are properly

maintained and reported on and for meeting with the Company's auditors and reviewing their reports on the accounts and the Company's internal controls.

The Company has in addition established a remuneration committee, comprising the non-executive directors, to operate from Admission. The remuneration committee will be chaired by Anthony Scutt. The remuneration committee will be responsible for reviewing the performance of the executive directors, setting their remuneration, considering the grant of options under any share option scheme and, in particular, the price per share and the application of performance standards which may apply to any such grant.

Share Dealing Code

The Company has adopted and will operate a share dealing code to prevent Directors and applicable employees from dealing in Ordinary Shares during close periods in accordance with Rule 21 of the AIM Rules.

Lock-ins and Orderly Market Arrangements

At Admission the Directors and persons connected with them will own 7,114,485 Ordinary Shares representing 12.70% of the share capital and in addition will have options over 7,600,000 Ordinary Shares which, when aggregated with their current shareholdings, would represent 17.14% of the share capital on a fully diluted basis. The Directors, Sunvest Corporation Limited (which holds 10,000,000 Ordinary Shares), Carole Rowan (who holds 6,089,485 Ordinary Shares), and Bruce Rowan (who holds 500,000 Ordinary Shares), have undertaken to the Company, Ruegg and to Phillip Securities that they will not sell or dispose of, except in certain circumstances (as permitted by the AIM Rules), any of their respective interests in Ordinary Shares at any time before the first anniversary of Admission. In addition, the Directors have also undertaken that for the 12 months immediately following Admission, they will effect a sale only through the brokers for the time being of the Company and will only do so following consultation with the broker in relation to any such disposal and further that any such disposal will be made in such a manner and as such broker may reasonably require with a view to maintaining an orderly market in the Ordinary Shares.

Dividend Policy

It is the intention of the Directors to achieve capital growth by maximising the value of the Company's exploration projects and not to pay dividends until such time that the Company's assets have been brought into profitable production or sold. Considering the anticipated capital expenditure requirements for the Company's exploration projects, payment of a dividend is unlikely at least in the next three years.

Options

The Company will issue 545,455 options to Ruegg & Co and 363,636 options to Phillip Securities on Admission. These options are exercisable at 5.5p at any time up to the fifth anniversary of Admission. Further details of the options can be found in paragraphs 10.1.4 and 10.4 of Part 5.

Taxation

The attention of prospective investors is drawn to paragraph 9 of Part 5 of this document.

Shareholders who are in any doubt as to their tax position should consult their professional advisers immediately.

PART 2

RISK FACTORS

The exploration for and development of natural resources is a highly speculative activity which involves a high degree of financial risk. Before deciding whether to invest in the Ordinary Shares, prospective investors should carefully consider the risks described below together with all other information contained in this document. If any of the following risks actually occur, the Company's business, financial condition and/or results of operations could be materially and adversely affected. In such case, an investor may lose all or part of his or her investment. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company.

Exploration and Mining Risks

The business of exploration for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. The mineral deposits to be assessed by the Company may not contain economically recoverable volumes of resources. Should the mineral deposits contain economically recoverable resources then delays in the construction and commissioning of mining projects or other technical difficulties may result in the Company's current or future projected target dates for production being delayed or further capital expenditure being required.

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, explosions and other acts of God. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. No assurance can be given that the Company will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

The occurrence of any of these hazards can delay activities of the Company and may result in liability. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

Mineral exploration is highly speculative in nature, involves many risks and frequently is unsuccessful. There can be no assurance that any mineralisation discovered will result in proven and probable reserves being attributed to the Company. If reserves are developed, it can take a number of years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish ore reserves through drilling, to determine metallurgical processes to extract metals from ore and, in the cases of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that the exploration programmes undertaken by the Company will result in any new commercial mining operations being brought into operation.

Volatility of Mineral Prices

Historically, mineral prices have displayed wide ranges and are affected by numerous factors over which the Company does not have any control. These include world production levels, international economic trends, currency exchange fluctuations, expectation for inflation, speculative activity, consumption patterns and global or regional political events.

Governmental Regulations and Processing Licences

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Company must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations, could have a material adverse impact on the Company's results of operations and financial condition.

The Company's current and future exploration, mining and processing activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. There can also be no assurance that they will be renewed or if so, on what terms.

Development Projects

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns may differ from those estimated.

Limited Operating History

The Company does not have an established trading record. The Company's operations are at an early stage of development and success will depend upon the Directors' ability to manage the current projects and to identify and take advantage of further opportunities which may arise.

The Company has no properties producing cash flow and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Company has not earned profits to date and there is no assurance that it will do so in the future. A portion of the Company's activities will be directed to the search for and the development of new mineral deposits. Significant capital investment will be required to achieve commercial production from the Company's existing projects and from successful exploration efforts. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Financing

The successful extraction of any minerals may require very significant capital investment. In addition, delays in the construction and commissioning of any of the Company's mining projects or drilling projects or other technical difficulties may result in projected target dates for related production being delayed and/or further capital expenditure being required. In common with all mining and drilling operations, there is uncertainty, and therefore risk, associated with operating parameters and costs resulting from the scaling up of extraction methods tested in laboratory conditions. The Company's ability to raise further funds will depend on the success of existing and acquired operations. The Company may not be successful in procuring the requisite funds and, if such funding is unavailable, the Company may be required to reduce the scope of its operations or anticipated expansion.

Reserve and Resource Estimates

Any future reserve and/or resource figures are estimates and there can be no assurances that they will be recovered or that they can be brought into profitable production. Reserves and resources estimates may require revisions based on actual production experience. Furthermore, a decline in the market price of metals or minerals that the Company may discover could render ore reserves containing relatively lower grades of these minerals uneconomic to recover and may ultimately result in a restatement of reserves.

No guarantee can be given as to the success of drilling programmes in which the Company has interests. In addition, drilling, development and production may be delayed or adversely affected by factors outside the control of the Company and the companies operating those drilling programmes.

Environmental Factors

The Company's operations are subject to environmental regulation (Swedish Environmental Code of 1998), including regular environmental impact assessments and permitting. Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.

Political Risks

Existing political conditions are subject to the introduction of new legislation, amendments to existing legislation by governments or the interpretation of those laws by governments which could impact adversely on the assets, operations and ultimately the financial performance of the Company.

Lack of political stability, changes in political attitudes and changes to government regulations relating to foreign investment and the mining business are beyond the control of the Company and may adversely affect its business.

Operations may be affected in varying degrees by government regulations with respect to restrictions on various areas, including production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Uninsured Risks

The Company, as a participant in exploration and mining programmes, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs or other reasons. The Company may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury. Currently, the Company does not carry any insurance for its business or management. The Directors intend to put in place key-man insurance following Admission.

Dependence on Key Personnel

The Company is dependent upon its current executive management team. Whilst it has entered into contractual arrangements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. Accordingly, the loss of any key management of the Company may have an adverse effect on the future of the Company's business. There are currently no arrangements in place for key-man insurance.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and acquisition of exploration and development rights on attractive mineral properties. The Company's success will depend not only on its ability to develop the properties on which it currently has exploration and development rights, but also on its ability to select and acquire exploration and development rights on further suitable properties for exploration and development. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring exploration and development rights on such properties.

Payment Obligations

Under the exploration licences and certain other contractual agreements to which the Company is or may in the future become a party, the Company is or may become subject to payment and other obligations. If such obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Company. The Company may not have, or be able to obtain, financing for all such obligations as they arise.

Currency Risk

Currency fluctuations may affect the cash flow that the Company may realise from its operations, as mineral production is usually sold in the world market in US Dollars. Certain costs to the Company are denominated in currencies other than US Dollars, for example Euros, Swedish Krona and Pounds Sterling. Fluctuations in exchange rates between currencies in which the Company operates may cause fluctuations in its financial results, which are not necessarily related to the Company's underlying operations.

Market Perception

Market perception of mining and exploration companies may change which could impact on the value of investors' holdings and impact on the ability of the Company to raise further funds by the issue of further shares in the Company.

Areas of Investment Risk

The prices of publicly quoted securities can be volatile. The price of securities is dependent upon a number of factors, some of which are general or market or sector specific and others that are specific to the Company.

The Ordinary Shares will not be listed on the Official List of the UK Listing Authority and, although the Ordinary Shares will be traded on AIM, this should not be taken as implying that there will always be a liquid market in the Ordinary Shares. In addition, the market for shares in smaller public companies is less liquid than for larger public companies. Therefore an investment in the Ordinary Shares may be difficult to realise and the price of the Ordinary Shares may be subject to greater fluctuations than might otherwise be the case.

An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Ordinary Shares cannot be guaranteed. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company and others which are extraneous. On any disposal of their Ordinary Shares, investors may realise less than the original amount invested.

The risks noted above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority. The investment described in this document is speculative and may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising in investments of this kind before making any investment decisions. Prospective investors should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.

PART 3

SECTION A

ACCOUNTANTS' REPORT ON BEOWULF MINING PLC



The Quorum, Barnwell Road, Cambridge CB5 8RE

The Directors Beowulf Mining plc 1 Green Hill Little Thetford Ely Cambridgeshire CB6 3HD

and

The Directors Ruegg & Co Limited 39 Cheval Place Knightsbridge London SW7 1EW

29 April 2005

Dear Sirs

Beowulf Mining plc

Introduction

We report on the financial information set out below relating to Beowulf Mining plc (the "Company"). This information has been prepared for inclusion in the AIM admission document dated 29 April 2005 (the "Admission Document") relating to the proposed admission to AIM of Beowulf Mining plc.

The Company was incorporated on 21 December 1988 as Luxmit Limited. On 2 March 1989 the Company changed its name to Britcan Minerals Limited. On 18 May 1989 the Company was re-registered as a public limited company. On 7 April 2000 it changed its name to e.Ruby PLC. On 2 April 2001 it changed its name to Alamos PLC. On 21 January 2003 the Company changed its name to Beowulf Gold PLC and on 31 March 2005 it changed its name to Beowulf Mining plc.

Basis of preparation

The financial information set out below is based on the audited financial statements of Beowulf Mining plc for the three years ended 31 December 2004, no adjustments being necessary.

Responsibility

Such financial statements are the responsibility of the Directors of the Company, who approved their issue.

The Directors of Beowulf Mining plc are responsible for the contents of the Admission Document in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. Our work also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the circumstances of Beowulf Mining plc, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud, other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Beowulf Mining plc at the dates stated and of its results and cash flows for the periods then ended.

Consent

We consent to the inclusion in the Admission Document dated 29 April 2005 of this report and accept responsibility for the report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulation 1995.

PROFIT AND LOSS ACCOUNT

	Note		2004 £	2003 £	2002 £
Administrative	Note		(166.530)	(108.443)	(910)
Operating loss	2		(166,530)	(108,443)	(910)
Profit on sale of assets	2	69,488		_	-
			69,488		
Loss on ordinary activities before interest			(97,042)	(108,443)	(910)
Other interest receivable and similar income	3		38,722	1,519	_
Loss on ordinary activities before taxation			(58,320)	(106,924)	(910)
Tax on loss on ordinary activities	4		_	-	-
Loss on ordinary activities after					
taxation	12		(58,320)	(106,924)	(910)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

BALANCE SHEET

			2004		2003		2002
					as restated		
N	otes	£	£	£	£	£	£
Fixed assets							
Intangible assets	5		102,921		62,939		_
Tangible assets	6		127		175		_
Investments	7		112,500		_		_
			215,548		63,114		_
Current assets							
Debtors	8	6,609		6,740		_	
Cash at bank and							
in hand		194,730		116,447		173	
		201,339		123,187		173	
Creditors: amounts							
falling due within							
one year	9	(4,958)		(5,892)		(2,005)	
Net current assets			196,381		117,295		(1,832)
Total assets less							
current liabilities			411,929		180,409		(1,832)
Creditors: amounts							
falling due after							
more than one year	10		_		_		(20,335)
			411,929		180,409		(22,167)
Canital and reserves							
Called up share capital	11		420.896		355.040		71,790
Share premium account	12		1,491,731		1,267,747		1,241,497
Capital contribution	12		46,451		46,451		46,451
Profit and loss account	12		(1,547,149)		(1,488,829)		(1,381,905)
Shareholders' funds							
equity interests	13		411,929		180,409		(22,167)

CASH FLOW STATEMENT

			2004		2003		2002
	Madan	C	C	a.	s restated	C	C
Not each outflow	Notes	t	t	t	t	t	t
from operating	1						
activities			(152,420)		(101,137)		(5,093)
Returns on							
investments and							
servicing of finance		1 222		1 510			
Interest received				1,319			
Net cash inflow for returns on							
investments and							
servicing of finance			1,222		1,519		_
Capital arnanditura							
Payments to acquire							
intangible assets		(54,847)		(73,273)		_	
Cost on disposal of		/					
assets		(5,512)					
Net cash outflow							
for capital expenditure			(60 359)		(73, 273)		_
Not each outflow							
before management							
of liquid resources							
and financing			(211,557)		(172,891)		(5,093)
Financing							
Issue of ordinary							
share capital		297,850		309,500		_	
Cost of share issue		(8,010)					
Issue of shares		289,840		309,500			
loans		_		_		5 080	
Repayment of long						2,000	
term bank loan		_		(10,335)		_	
Repayment of other				(10,000)			
long term loans				(10,000)			
Decrease in debt				(20,335)		5,080	
Net cash inflow			280 840		280 165		5 090
Increase in cash in the year			78 283		116 274		(13)
			, 0,205		110,2/7		(15)

NOTES TO THE CASH FLOW STATEMENT

1 Reconciliation of operating loss to net cash outflow from operating activities

	2004	2003	2002
	£	£	£
Operating loss	(166,530)	(108,443)	(910)
Depreciation of tangible assets	48	16	_
Amortisation of intangible assets	14,865	10,143	_
Decrease/(increase) in debtors	131	(6,740)	_
(Decrease)/increase in creditors within one year	(934)	3,887	(4,183)
Net cash outflow from operating activities	(152,420)	(101,137)	(5,093)

2 Analysis of net funds/(debt)

	1 January f	Cash flow	Other non-cash changes f	31 December f
Year ended 2002 Net cash:	L	2	~	~
Cash at bank and in hand	186	(13)		173
Debt: Debts falling due after one year	(15,000)	(5,335)	_	(20,335)
Net funds	(14,814)	(5,348)	_	(20,162)
Year ended 2003 Net cash: Cash at bank and in hand	713	116,274	_	116,447
Debt: Debts falling due after one year	(20,335)	20,335		
Net funds	(20,162)	136,609		116,447
Year ended 2004 Net cash:	116.445	50 202		104 500
Cash at bank and in hand	116,447	/8,283		194,730
Debt: Debts falling due after one year	_	_	_	_
Net funds	116,447	78,283		194,730

3 Reconciliation of net cash flow to movement in net funds/(debt)

	2004	2003	2002
	£	£	£
Increase/(decrease) in cash in the year	78,283	116,274	(13)
Cash (inflow)/outflow from (increase)/decrease in debt		20,335	(5,335)
Movement in net funds/(debt) in the year	78,283	136,609	(5,348)
Operating net funds/(debt)	116,447	(20,162)	(14,814)
Closing net funds/(debt)	194,730	116,447	(20,162)

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Intangible fixed assets – exploration costs

Expenditure on the acquisition costs, exploration and evaluation of interests in licences, including related overheads, are capitalised. Such costs are carried forward in the balance sheet as intangible assets and amortised over the minimum period of the licences in respect of each area of interest where:

- (a) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its sale.
- (b) exploration activities have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations in relation to the areas are continuing.

An annual impairment review is carried out by the directors to consider whether any exploration or development costs have suffered impairment in value and if necessary provisions are made accordingly.

Accumulated costs in respect of areas of interest which have been abandoned are written off to the profit and loss account in the year in which the area is abandoned.

Exploration costs are carried at the lower of cost and net realisable value.

Exploration costs were re-categorised in the year to 31 December 2004 from tangible fixed assets. Comparatives have been restated accordingly

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and equipment 25% on reducing balance

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of Financial Reporting Standard 19 – Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. A deferred tax asset is not recognised unless recovery is expected in the foreseeable future.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 Operating loss

	2004	2003	2002
	£	£	£
Operating loss is stated after charging:			
Amortisation of intangible assets	14,865	10,143	_
Depreciation of tangible assets	48	16	_
Loss on foreign exchange transactions	836	1,189	_
Auditors' remuneration	3,500	4,500	199
Remuneration of auditors for non-audit work	7,475	12,135	-

During the year to 31 December 2004 the Company disposed of exploration rights in exchange for 7,500,000 shares of 1p each in Agricola Resources plc. The value credited to the profit and loss account, of £69,488, is after the deduction of professional fees.

3 Investment income

	2004	2003	2002
	${\mathfrak L}$	£	£
Revaluation of investments	37,500	_	_
Bank interest	1,222	1,519	-
	38,722	1,519	

4 Taxation

The Company has estimated losses of $\pounds 177,507$ (2003 – $\pounds 96,813$, 2002 – $\pounds 98,332$) available for carry forward against future trading profits.

5 Intangible fixed assets

	2004	2003	2002
	£	£	£
Cost			
Brought forward	73,082	_	_
Additions	54,847	73,082	-
Carried forward	127,929	73,082	_
Amortisation			
Brought forward	10,143	_	_
Charge for the year	14,865	10,143	_
Carried forward	25,008	10,143	_
Net book value			
NBV at end of year	102,921	62,939	
NBV at start of year	62,939		_

Exploration costs were re-categorised in the year to 31 December 2004 from tangible fixed assets to intangible fixed assets.

6 Tangible fixed assets

	2004	2003	2002
	£	£	£
Cost			
Brought forward	191	—	-
Additions		191	
Carried forward	191	191	_
Amortisation			
Brought forward	16	_	_
Charge for the year	48	16	
Carried forward	64	16	_
Net book value			
NBV at end of year	127	175	
NBV at start of year	175	_	
Fixed asset investments			
	2004	2003	2002
Unlisted investment	£	£	£
Cost			
Brought forward	_	_	-
Additions	75,000	_	_
Revaluation	37,500		
Carried forward	112,500		

The stated investment relates to a holding of 7,500,000 ordinary shares of 1p each in Agricola Resources plc and has been revalued to its market valuation at the year end of 1.5p per share.

Debtors 8

7

		2004	2003	2002
		£	£	£
	Other debtors	1,897	1,653	_
	Prepayments and accrued income	4,712	5,087	-
		6,609	6,740	
9	Creditors: amounts falling due within one year			
		2004	2003	2002
		£	£	£
	Trade creditors	_	808	_
	Taxes and social security costs	1,458	1,079	-
	Accruals and deferred income	3,500	4,005	2,005
		4,958	5,892	2,005
10	Creditors: amounts falling due after more than one year			
		2004	2003	2002
		£	£	£
	Directors loan	_	_	10,335
	Due to beneficial shareholder	_	_	10,000
				20,335

11 Share capital

	2004	2003	2002
	£	£	£
Authorised	1 000 000	1 000 000	200.000
100,000,000 ordinary shares of 1p each	1,000,000	1,000,000	
Allotted, called up and fully paid			
42,089,525 ordinary shares of 1p each	420,896	355,040	71,790

On 17 February 2003 2,000,000 ordinary shares of 1p each were allotted and fully paid at par by way of capitalisation of loans made to the Company.

On 2 May 2003 25,325,000 ordinary shares of 1p each were allotted and fully paid at par for cash consideration to provide additional working capital.

On 11 August 2003 250,000 ordinary shares of 1p each were allotted and fully paid at a premium of 1p per share for cash consideration to provide additional working capital.

On 12 August 2003 250,000 ordinary shares of 1p each were allotted and fully paid at a premium of 1.5p per share for cash consideration to provide additional working capital.

On 17 September 2003 500,000 ordinary shares of 1p each were allotted and fully paid at a premium of 4p per share for cash consideration to provide additional working capital.

On 6 January 2004 100,000 options to acquire ordinary shares of 1p each were exercised at a price of 1p per share.

On 15 March 2004 1,000,000 ordinary shares of 1p each were allotted and fully paid at a premium of 4p per share for cash consideration to provide additional working capital.

On 23 September 2004 1,555,555 ordinary shares of 1p each were allotted and fully paid at a premium of 3.5p per share for cash consideration to provide additional working capital.

On 1 October 2004 400,000 ordinary shares of 1p each were allotted and fully paid at a premium of 3.5p per share for cash consideration to provide additional working capital.

On 20 December 2004 3,530,000 ordinary shares of 1p each were allotted and fully paid at a premium of 3.5p per share for cash consideration to provide additional working capital.

Share options

On 2 March 2000 the Company granted options over 7,200,000 new ordinary shares exercisable at any time up to 31 March 2003 at an exercise price of 1p per new ordinary share. On 17 February 2003 the exercise date was extended to 31 March 2008.

On 2 May 2003 the Company granted options over 7,000,000 new ordinary shares exercisable at any time up to 31 March 2008 at an exercise price of 1p per new ordinary share.

On 25 November 2003 the Company granted options over 100,000 new ordinary shares at an exercise price of 7.5p per share exercisable at any time up to and including 25 November 2005.

On 21 June 2004 the Company granted options over 250,000 new ordinary shares exercisable at any time up to 21 June 2006 at an exercise price of 5.5p per new ordinary share.

On 23 September 2004 the Company granted options over 1,555,555 new ordinary shares exercisable at any time up to 24 September 2005 at an exercise price of 5.5p per new ordinary share.

On 1 October 2004 the Company granted options over 100,000 new ordinary shares at an exercise price of 5.5p per share exercisable at any time up to 1 October 2006.

On 1 October 2004 the Company granted options over 400,000 new ordinary shares at an exercise price of 5.5p per share exercisable at any time up to 1 October 2005.

On 23 December 2004 the Company granted options over 1,765,000 new ordinary shares at an exercise price of 5.5p per share exercisable at any time up to 14 December 2005.

On 23 December 2004 the Company granted options over 348,888 new ordinary shares at an exercise price of 5.5p per share exercisable at any time up to 14 December 2006.

12 Statement of movements on reserves

13

14

	2004	2003	2002
	£	£	£
Profit & loss account			
Retained loss brought forward	(1,488,829)	(1,381,905)	(1,380,995)
Retained loss for the period	(58,320)	(106,924)	(910)
Retained loss carried forward	(1,547,149)	(1,488,829)	(1,381,905)
Share premium account			
Balance brought forward	1,267,747	1,241,497	1,241,497
Premium on shares issued	231,994	26,250	-
Other movements	(8,010)		
Balance carried forward	1,491,731	1,267,747	1,241,497
Other reserves – Capital contribution			
Balance brought forward	46,451	46,451	46,451
Balance carried forward	46,451	46,451	46,451
Reconciliation of movements in shareholders' funds			
	2004	2003	2002
	£	£	£
Loss for the financial year	(58,320)	(106,924)	(910)
Proceeds from issue of shares	297,850	309,500	_
	(0,010)		(010)
Net addition to/(depletion in) shareholders' funds	231,520	202,576	(910)
Opening shareholders runds		(22,107)	(21,237)
Closing shareholders' funds	411,929	180,409	(22,167)
Directors' emoluments			
	2004	2003	2002
	£	£	£
Emoluments for qualifying services	38,499	22,667	
	-		

15 Transactions with directors

During 2004 the Company paid Ed Taylor Consulting Limited fees amounting to $\pounds 5,200 (2003 - \pounds 3,605, 2002 - nil)$. Mr E Taylor is a director and shareholder of this company. No amounts were outstanding at the last three year ends.

During 2004 the Company paid exploration fees of $\pounds 46,968$ (2003 – $\pounds 46,073$, 2002 – nil) to Geoexperten, a business owned by Dr Jan-Ola Larsson. Fees paid to Dr Jan-Ola Larsson during 2004 amounted to $\pounds 30,000$ (2003 – $\pounds 20,000$, 2002 – nil).

During the year ended 31 December 2004 the Company sold exploration rights to Agricola Resources plc in exchange for 7,500,000 shares of 1p each. Dr R D Young is a director of Agricola Resources plc.

All of the above transactions were undertaken on a commercial basis.

Included in creditors at 31 December 2002 are loans of £10,335 and £10,000 from Dr R D Young, a director of the Company and Mr B Rowan, a beneficial shareholder of the Company, respectively. These were also the maximum amounts outstanding during that year. £10,000 of the loan from Dr R D Young and the £10,000 loan from Mr B Rowan were capitalised into ordinary shares at par value during the year ended 31 December 2003.

16 Employees

Number of employees

There were no employees during the period apart from the directors.

	2004	2003	2002
	£	£	£
Employment costs			
Wages and salaries	38,499	22,667	_
Social security costs	3,713	2,311	
	42,212	24,978	

17 Post balance sheet events

Share options

On 6 April 2005 the company granted 11,111,111 share options exercisable at a price of 5.5p per share at any time up to 5 April 2007.

Share allotments

On 8 February 2005 312,000 share options were exercised at a price of 5.5p per share generating a further $\pm 17,160$ for additional working capital.

On 18 February 2005 110,000 share options were exercised at a price of 5.5p per share generating a further $\pounds 6,050$ for additional working capital.

On 22 February 2005 2,000,000 ordinary shares of 1p each were allotted and fully paid at a premium of 4.5p per share for cash consideration generating a further £110,000 for additional working capital.

On 22 February 2005 92,000 share options were exercised at a price of 5.5p per share generating a further £5,060 for additional working capital.

On 2 March 2005 25,000 share options were exercised at a price of 5.5p per share generating a further \pounds 1,375 for additional working capital.

On 6 April 2005 11,111,111 ordinary shares of 1p each were allotted and fully paid at a premium of 3.5p per share for cash consideration generating a further £500,000 for additional working capital.

On 8 April 2005 62,500 share options were exercised at a price of 5.5p per share generating a further $\pm 3,437.50$ for additional working capital.

On 14 April 2005 100,000 share options were exercised at a price of 1p per share generating a further \pounds 1,000 for additional working capital.

On 21 April 2005 121,111 share options were exercised at a price of 5.5p per share generating a further $\pounds 6,661$ for additional working capital.

Yours faithfully,

Price Bailey LLP The Quorum Barnwell Road Cambridge CB5 8RE

PART 3

SECTION B

UNAUDITED PRO-FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro-forma statement of net assets for the Company which has been prepared to show the effect of the issue of shares since 31 December 2004 (see note 2 below) and Admission had the issue of shares and Admission occurred on 31 December 2004. The pro-forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, it may not give a true reflection of the company's financial position or results.

				Unaudited
	Net assets			<i>pro-jorma</i> <i>adjusted net</i>
	as at	Adjustment		assets of the
	31 December	for issue	Other	Company on
	2004	of Shares	Adjustments	admission
	(Note 1)	(Note 2)	(Note 3)	to AIM
	£	£	£	£
Fixed assets				
Intangible assets	102,921	_	_	102,921
Tangible assets	127	_	_	127
Investments	112,500			112,500
	215,548			215,548
Current assets				
Debtors	6,609	_	—	6,609
Cash at bank and in hand	194,730	650,743	(114,000)	731,473
	201,339	650,743	(114,000)	738,082
Creditors: amounts falling due within one year	(4,958)	—	_	(4,958)
Net current assets	196,381	650,743	(114,000)	733,124
Net assets	411,929	650,743	(114,000)	948,672

Notes

The pro-forma statement of net assets has been prepared on the following basis:

- 1. The net assets of the Company have been extracted without adjustment from the audited Financial Information included in Part 3, Section A of this document.
- 2. Adjustments have been made to reflect the issue of ordinary shares in Beowulf Mining plc as follows:

8 February 2005	312,000 Ordinary Shares	At a price of 5.5p per Ordinary Share
18 February 2005	110,000 Ordinary Shares	At a price of 5.5p per Ordinary Share
22 February 2005	2,092,000 Ordinary Shares	At a price of 5.5p per Ordinary Share
2 March 2005	25,000 Ordinary Shares	At a price of 5.5p per Ordinary Share
6 April 2005	11,111,111 Ordinary Shares	At a price of 4.5p per Ordinary Share
8 April 2005	62,500 Ordinary Shares	At a price of 5.5p per Ordinary Share
14 April 2005	100,000 Ordinary Shares	At a price of 1p per Ordinary Share
21 April 2005	121,111 Ordinary Shares	At a price of 5.5p per Ordinary Share

- 3. Other adjustments of £114,000 represent the estimated costs (including VAT) of Admission payable by the Company. No adjustments have been made to reflect the trading or other transactions of the company since 31 December 2004.
- 4. The pro-forma statement of net assets does not constitute financial statements within the meaning of Section 240 of the Act.



PART 4

COMPETENT PERSON'S REPORT

19 March, 2005

FOR The Directors Beowulf Mining plc 1 Green Hill Little Thetford, Ely Cambridgeshire CB6 3HD

AND The Directors Ruegg & Co Limited 39 Cheval Place London, SW7 1EW

INDEPENDENT COMPETENT PERSON'S REPORT

BEOWULF MINING PLC'S JOKKMOKK, GRUNDTRÄSK, AND USSALAHTI EXPLORATION PROJECTS

Dear Sirs

At your request, Independent Engineers (Australia) Pty Ltd (IEA) has prepared the attached independent Competent Person's Report (CPR). The purpose of the CPR is to provide an independent assessment of Beowulf Mining plc's (Beowulf) Swedish licences. The CPR has been commissioned for inclusion in an Admission Document for the listing of Beowulf on AIM.

The CPR presents a physical and technical description of the projects and their current status, and provides an independent opinion on the forecast work activities and budgets. IEA has made efforts to cover all relevant, material aspects of the projects in order to provide an independent professional opinion.

Yours sincerely

Patrick Gorman Principal Associate Independent Engineers (Australia) Pty Ltd

Duncan Large Senior Associate Independent Engineers (Australia) Pty Ltd

Independent Engineers (Australia) Pty Ltd ACN 096 973 367

www.iengineers.com.au info@iengineers.com.au

Brisbane, Australia 3 Macintosh Street Auchenflower Qld 4066 Australia Tel: +61 7 3217 6699 Fax: +61 7 3217 6455 Perth, Australia Suite 5, 83 Havelock Street West Perth WA 6005 Australia Tel: +61 8 9485 2985 Fax: +61 8 9324 1989

TABLE OF CONTENTS

1	EXE	CUTIVE SUMMARY	33
2	INTF	RODUCTION AND TERMS OF REFERENCE	34
	2.1.	General	34
	2.2.	Terms of Reference and Qualifications	35
	2.3.	Sources of Information	36
	2.4.	Units and Currency	36
3	DISC	CLAIMER AND PURPOSE	36
4	MIN	ERAL LEGISLATION IN SWEDEN	37
5	EXP	LORATION AND MINING ACTIVITY IN SWEDEN	38
6	THE	JOKKMOKK PROJECT	38
	6.1.	Location	38
	6.2.	Exploration Permits and material agreements	39
	6.3.	Accessibility	39
	6.4.	Local resources and infrastructure	39
	6.5.	Climate	40
	6.6.	Physiography	40
	6.7.	Sami – indigenous people	40
	6.8.	Environmental, Health and Safety	40
	6.9.	Regional Geological Setting and Mineralisation	41
	6.10.	Exploration History	42
	6.11.	Geology and Mineralisation of the Jokkmokk Project Area	43
	6.12.	Exploration by Beowulf in the Jokkmokk Project area	44
		6.12.1. Exploration Results and Interpretation	44
		6.12.2. Sampling method and approach	46
		6.12.3. Sample preparation and security	47
		6.12.4. Data validation	47
		6.12.5. Exploration Plans and Budget	47
7	THE	GRUNDTRÄSK PROJECT	47
	7.1.	Location	47
	7.2.	Exploration Permits and material agreements	48
	7.3.	Accessibility	48
	7.4.	Local resources and infrastructure	48
	7.5.	Climate	49
	7.6.	Physiography	49
	7.7.	Sami – indigenous people	49
	7.8.	Environmental, Health and Safety	49
	7.9.	Regional geological setting and mineralisation	49
	7.10.	Exploration History	50

	7.11.	Geology and Mineralisation of the Grundträsk Project Area	51
	7.12.	Exploration by Beowulf in the Grundträsk Project Area	52
		7.12.1. Exploration Results and Interpretation	52
		7.12.2. Sampling method and approach	54
		7.12.3. Sample preparation and security	54
		7.12.4. Data validation	54
		7.12.5. Exploration Plans and Budget	54
8	THE USSALAHTI PROJECT		
	8.1.	Location	54
	8.2.	Exploration Permits and material agreements	55
	8.3.	Accessibility	55
	8.4.	Local Resources and Infrastructure	55
	8.5.	Climate	55
	8.6.	Physiography	55
	8.7.	Environmental, Health and Safety	55
	8.8.	Regional geological setting and mineralisation	55
	8.9.	Exploration History, Geology and Mineralisation of the Ussalahti Project Area	56
	8.10.	Exploration by Beowulf in the Ussalahti Project Area	57
9	CON	CLUSIONS	57
10	BIBL	IOGRAPHY OF INFORMATION USED TO PREPARE THE REPORT	58

8

LIST OF FIGURES

- Geology of northern Sweden with main rock units indicated showing location of Beowulf Project Figure 1: Areas. Geology from Stephens et al. (1997), modified from Weihed (2004)
- Figure 2: Jokkmokk project area with location of claims and prospects (from Beowulf Report: The Jokkmokk Project, northern Sweden)
- Figure 3: Copper contents in the Mobile Metal Ion (MMI) samples collected from the Iekelvare area, 2004
- Figure 4: Summary section showing the distribution of copper and gold in drill hole of MAJ04001 (Beowulf, 2005)
- Figure 5: Location of the Grundträsk Project, Skellefte Mining District, northern Sweden (from Beowulf Report: The Grundträsk Project, northern Sweden)
- Figure 6: Geological map of the Grundträsk project area showing combined exploration data (geochemistry and geophysics) with locations of diamond drillholes DDH 03 001-3, DDH 04 001-3 and DDH 05 001, 3 and 4, and discovery sites of high-grade gold-silver boulders. From Beowulf 2005, and geology from SGU Geological Map Sheet 23 J Norsjö NV, SGU, Ai 177 (2003)
- Figure 7: Section through ddh 96 001 and 03 003 showing mineralised structures as interpreted by Beowulf (from Beowulf Report: The Grundträsk Project, northern Sweden)
- Figure 8: Occurrences of epigenetic copper and gold mineralisation in Norbotten, Sweden, showing the location of the Ussalahati Project area (Martinsson, 2004)
- Figure 9: Ussalahti Exploration Permits, Kiruna, Northern Sweden Airborne Magnetics with recorded drill holes and regional basal till samples with copper contents (Beowulf, 2005)

LIST OF TABLES

- Table 1:
 Beowulf Exploration Permits in Sweden that are the subject of this report
- Table 2: Summary of geological characteristics of IOCG deposits as they pertain to the Fennoscandian Shield
- Table 3:
 Summary of exploration activities in the Jokkmokk Project area prior to Beowulf being granted the Exploration Permits
- Table 4: Drill-hole summary, Majves area, Jokkmokk Project, 2004
- Table 5:
 Principal gold deposits in the Skellefte District
- Table 6: Summary of Beowulf drill holes in the Grundträsk Project area
- Table 7:
 Summary of the proposed exploration programme, 2005

1 EXECUTIVE SUMMARY

Beowulf Mining plc (Beowulf) is currently listed on Ofex and plans to apply for admission to AIM in 2005.

Beowulf has three main project areas (Jokkmokk, Grundträsk and Ussalahti), which are all gold projects with associated base metals and are located in northern Sweden.

The primary focus of this Competent Person's Report (CPR) prepared by Independent Engineers (Australia) Pty Ltd (IEA) is to provide an independent opinion on Beowulf's exploration permits in its three project areas in Northern Sweden:

- 1. The "Jokkmokk" area, consisting of the Majves 1 and 2, Tjäula and Kårvo Exploration Permits covering 8,200 hectares.
- 2. The "Grundträsk" area, consisting of the Grundträsk 1, 2 and 3 Exploration Permits covering 4,276 hectares.
- 3. The "Ussalahti" area, consisting of Ussalahti 1, 2 and 3 Exploration Permits covering 923 hectares.

Beowulf has a 100% interest in all the Exploration Permits. Phelps Dodge Exploration Corporation (PDX) has the right to earn an 80% interest in the Jokkmokk Exploration Permits.

The geological targets are:

Jokkmokk: iron oxide – copper – gold deposits in the Fennoscandian Shield.

Grundträsk: lode gold mineralisation in the Skellefte district.

Ussalahti: stratiform copper-gold mineralisation in the Kiruna district.

The geological potential, data availability, mining law, and fiscal incentives in Sweden are attractive for companies in the exploration and mining business. According to the Swedish Geological Survey (SGU), three new mines – including the Svartliden gold mine – in northern Sweden have been permitted and commenced production within the past four years.

The Beowulf project areas in northern Sweden – Jokkmokk, Grundträsk and Ussalahti – are located in areas underlain by geology with a proven potential for hosting $IOCG^{1}$ copper-gold, orogenic lode-gold and stratiform copper-gold mineralisation. The first two of these types of mineralisation support mining operations in northern Sweden – for example the Björkdal gold mine and the Aitik copper mine. In addition the latter style of mineralisation was the source of ore at the Viscaria and Pahtohavare mines, both of which are now closed. IEA's opinion on each of the project areas is detailed below:-

Jokkmokk Project Area

Drilling during 2004 at the Majves area in the Jokkmokk Project area has confirmed the existence of significant copper-gold mineralisation with many similarities to the IOCG model, and emphasised the potential for an economic discovery of the target style of mineralisation.

The drill intercept in MAJ 04001 of 110.30 m containing 0.42% copper, 0.54 g/t gold, 5 g/t silver, and 0.16% zinc is outstanding, and further work within the zone of favourable geochemistry and geophysics could provide the basis of significant discovery.

The Phelps Dodge Exploration Corporation, under the terms of the Joint Venture with Beowulf, will conduct the next phase of exploration on the Jokkmokk project area. Phelps Dodge is a major copper mining company, and has the expertise both to recognise the potential of the Jokkmokk area as well as to undertake a focussed and effective exploration programme.

Grundträsk Project Area

Detailed exploration by Beowulf during 2003 and 2004 in the Grundträsk Project Area has confirmed and extended the gold mineralisation, which is now known to occur over a strike length of at least 600m in one locality, and there remain numerous geochemical and geophysical targets for testing. Best drill intercepts include 1.43 g/t gold over 5.20 m and 2.80 g/t gold over 4.62 m.

Refer to the Glossary at the end of the CPR for the definition of this and many other abbreviations and technical terms.

The results of the recent 2005 drilling campaign have not yet been received, but on the basis of observations on the drill core are expected to confirm this trend.

Beowulf has prepared a comprehensive and ambitious exploration plan at Grundträsk, which IEA considers is appropriate in scope and realistic in cost. This exploration will continue to test the possible extensions from the known occurrences of gold mineralisation, as well as new targets defined by earlier geochemical and geophysical surveys. It is anticipated that the information derived from this work will be sufficient to quantify a mineral resource. This will then form the basis for subsequent more detailed work including the application of economics to convert the resource to a mineable reserve.

Ussalahti Exploration Area

The recent acquisition of the Ussalahti Exploration Permits, which contain good geophysical and geochemical targets for stratiform copper-gold mineralisation, reflects the expert understanding of the geology and previous exploration activities in northern Sweden by the Beowulf technical team. Beowulf is now well positioned to play an important role in the exploration for copper and gold in the Kiruna district.

Overall Opinion

Further exploration using modern geochemical, geophysical and drilling techniques as well as applying new geological models, is warranted in all of the Project areas. On the basis of the work undertaken by Beowulf to date, the potential for identifying a mineral resource in the Jokkmokk and Grundträsk Project areas, after completion of appropriate exploration programmes, is considered to be good.

Although there are no mineral resources located within any of the project areas that conform to either the JORC Code or the NI-43-101 definitions, each project area, particularly Jokkmokk, has a history of mineral exploration, all of which is documented and available to Beowulf.

Beowulf is aware of the environmental regulations and social obligations as they pertain to operating in northern Sweden. There are no serious environmental or social restrictions to the planned programmes.

2 INTRODUCTION AND TERMS OF REFERENCE

2.1. General

Beowulf Mining plc (Beowulf) has been granted exploration permits (Figure 1, Table 1) in two project areas in northern Sweden:

- 1. The "Jokkmokk" area, consisting of the Majves 1 and 2, Tjäula and Kårvo Exploration Permits
- 2. The "Grundträsk" area, consisting of the Grundträsk 1, 2 and 3 Exploration Permits
- 3. The "Ussalahti" area, consisting of the Ussalahti 1, 2 and 3 Exploration Permits



Figure 1: Geology of northern Sweden with main rock units indicated showing location of Beowulf Project Areas. Geology from Stephens et al. (1997), modified from Weihed (2004).

Each of these project areas will be described separately. The Exploration Permits are located in areas with a long history of mining and exploration, and the geological targets are gold and copper-gold mineralisation.

Exploration	Size (hectare)	Application Date	Date of Issue	Valid until
Permit				
	GRUNDTRÄS	K PROJECT AREA		
Grundträsk 1	2063	15.08.2003	03.11.2003	03.11.2006
Grundträsk 2	1575	28.11.2003	13.02.2004	13.02.2007
Grundträsk 3	638	15.12.2003	13.02.2004	13.02.2007
	JOKKMOKK	PROJECT AREA		
Majves 1	3800	07.02.2003	03.04.2003	03.04.2006
Majves 2	650	14.04.2003	06.06.2003	06.06.2006
Kårvo 2	1550	07.02.2003	03.04.2003	03.04.2006
Tjäula 1	2200	07.02.2003	03.04.2003	03.04.2006
	USSALAHTI	PROJECT AREA		
Ussalahti 1	460	10.01.2005	26.01.2005	26.01.2008
Ussalahti 2	263	12.01.2005	26.01.2005	26.01.2008
Ussalahti 3	200	18.01.2005	17.02.2005	17.02.2008

Table 1: Beowulf Exploration Permits in Sweden that are the subject of this report.

2.2. Terms of Reference and Qualifications

The purpose of this CPR is to provide an independent assessment of Beowulf's Swedish licences.

This CPR has been commissioned to be included in an Admission document for the listing of Beowulf Mining plc on AIM.

The CPR was prepared by Dr Duncan Large Dr.rer.nat, M.Sc, B.A., Eur. Geol., FGS, C.Eng., MIMMM, who is a senior associate of the IEA group and has over 30 years experience as an Economic Geologist in gold and base metals exploration, assessments and due diligence reports worldwide. He has worked on a number of exploration projects in Sweden since the late 1980's, and is familiar with the geology, exploration practices and regulations. The CPR is signed on behalf of IEA by Mr Patrick Gorman CEng, Eur.Ing, M.Sc, MIMMM. Mr Gorman is a Mining Engineer, a Principal Associate with IEA and has 28 years experience in project evaluation, feasibility studies and due diligence activities worldwide. Both Dr Large and Mr Gorman are considered qualified to be considered as Competent Person's for the purpose of this report. Dr Mark Dodds-Smith, Ph.D, B.Sc, C.Bio a senior associate of the IEA group provided the Environmental sections of the report. In accordance with IEA QAQC policy, Mr Bill Mackenzie, a Director of IEA, has completed a peer review of the CPR prior to signature and release.

Neither IEA as an organisation nor the personnel who prepared this report, have previously worked on any of the projects comprising the Beowulf portfolio. However IEA team members have been involved in work performed on a number of gold and base metals projects in Scandinavia and Finland, including Svartliden, Storliden, Björkdal, Suurikkuusikko and Pampalo.

Dr Large made two separate visits to Beowulf's projects in Sweden between February 12 and February 17, 2004, and again between February 20 and February 24, 2005. During the visits he reviewed technical data, reports, licences and other documents provided by Beowulf. Dr Large did not have an opportunity to visit the three exploration permits which comprise the Ussalahti Project but has had access to reports provided by Beowulf.

IEA did not complete a legal due diligence of the mineral licences or Beowulf's agreements with third parties.

IEA has been paid a fee for completing the CPR. Other than being paid a fee to prepare the CPR, neither IEA, nor the Directors or Associates of IEA will receive any interest or any securities in Beowulf or any associated or affiliated companies.

2.3. Sources of Information

This report is based on information obtained by IEA during:

- detailed discussions with Dr Robert Young (Executive Chairman) and Dr Jan-Ola Larsson (Director) of Beowulf, and Dr Olof Forsland (Regional Manager) and other staff of the SGU, Malå, Sweden;
- site visits to the Grundträsk and Jokkmokk Permit areas in Sweden;
- review of drill core and other samples maintained at the SGU, Malå, Sweden;
- discussions with Dr Wolf Schuh (Exploration Manager) and Jan-Anders Perdahl of Phelps Dodge Exploration; and
- review of documents provided by Beowulf, SGU, Invest in Sweden Agency (ISA) and other publications cited in the Reference list at the end of this Report.

2.4. Units and Currency

All units of measurement used in this report are quoted in the metric system. Assay and analytical results for precious metals are quoted in grams per tonne ("g Au/t", etc) or the equivalent parts per million ("ppm") or parts per billion ("ppb"), where appropriate. Analyses for copper and other metals are reported in weight percent as %Cu, etc.

The Swedish Krona ("SEK") is the legal tender. Although Sweden is a member of the European Union, it has not yet joined the "EURO Zone", consisting of those countries using the EURO (" \in "). The exchange rates between the \in and the SEK vary within a narrow range, and at the time of writing, the exchange rate is about SEK 9.10 to \in 1.00.

3 DISCLAIMER AND PURPOSE

At no time during the preparation of the CPR did IEA become aware that information was being withheld or that efforts were being made to influence the conclusion of the IEA report. IEA has provided the draft report to Beowulf for factual comment prior to release of the signed report. IEA has used its best efforts to endeavour to ensure that there are no factual errors in the report and at the time of issuing the report is not aware of any outstanding matter that requires reassessment.
IEA is familiar with the AIM rules and the overall purpose of the CPR. IEA therefore authorises Beowulf to use this report in its entirety in accordance with the AIM admission rules.

The only representations or warranties in relation to the preparation of this report and the information in it (such as its accuracy, reliability or completeness) or referred to, are those which are implied by law and which cannot be excluded by law. Otherwise, all such representations or warranties are excluded and the Board of Beowulf or the recipient releases Independent Engineers (Australia) Pty Ltd (IEA), its officers and associates from any liability or responsibility for this document. All projections and opinions in this report have been prepared on the basis of information made available to IEA prior to 6 March 2005 and are subject to uncertainties and contingencies, which are difficult to predict and many of which are beyond the control of IEA. This report has been prepared by IEA in good faith based on site visits to Beowulf's Swedish projects and desk top review of information provided by Beowulf. IEA has made an effort to take into account all information presented by Beowulf and its consultants. IEA has used its best efforts to review and validate the data provided. Detailed investigations or verification of the original source data estimates has not been undertaken. If required to do so, IEA agrees to keep current the opinions and conclusions presented in the report and to review the findings as other information is made available.

4 MINERAL LEGISLATION IN SWEDEN

The Minerals Act (1991:45) amended in 1993 governs the procedures pertaining to the application for and granting of exploration permits and exploitation concessions. The Mining Inspectorate in Luleå administers the Minerals Act, details of which are summarised in publications (see reference list) and on the relevant internet web-site.

An exploration permit is granted for a period of three years, and can be extended for another period of three years. In "special cases" the permit may be extended for a maximum of four years, and in "exceptional cases" the permit may be extended for up to five additional years. An exploration permit may therefore be valid for up to a maximum of 15 years. The fee for the first three years is SEK 15 per hectare (for metallic minerals under application by Beowulf – other fees apply for diamonds and hydrocarbons). Thereafter for years 4 to 6 the fee increases to SEK 21 per hectare per year, years 7-10 to SEK 50 per hectare per year and years 11-15 to SEK 100 per hectare per year. An exploration permit is exclusive to the holder, and can be transferred with consent from the Mining Inspectorate.

The applicant is required to identify the Counties, Municipalities and all landowners (surface rights) within the area under application, who are then informed by the Mines Inspector and have the right to comment on the application. Once issued, copies of the exploration permit are submitted to all of the above, Sami (indigenous people) community leaders, power utility companies (in case of hydro-electric power).

The Minerals Act defines those areas where exploration is not permitted (National Parks) and where exploration can only be undertaken with special authorisation (including nature reserves, built-up areas, etc.). These restricted areas are also identified in the exploration permit.

The exploration permit holder is required to inform the Municipality and affected landowners before the exploration works commence. In areas of reindeer herding, the relevant Sami community must also be informed. No additional permits are required for drilling or trenching, although all works must be undertaken in conformity to the 1998 Environmental Code. The Mines Inspector can undertake inspections of exploration sites to ensure that all relevant laws and regulations are being or have been observed. A relinquishment report summarising the work undertaken must be submitted to the Mines Inspectorate if the exploration permit is surrendered or not extended.

An exploitation concession is granted if a mineral deposit has been found that can be exploited economically, and is valid for 25 years. The exploitation concession can be extended by a further ten years at a time. The permitting processes include a legal proceeding and public meeting pertaining to the Designation of Land for the proposed mining operation. An environmental impact assessment according to the 1998 Environmental Code must be submitted, and is evaluated in a separate legal proceeding in the Environmental Court. The Court also stipulates the conditions that must be observed by any mining and processing activity. Applications are considered in consultation with the County Administrative Board, taking into account whether the site is acceptable from an environmental point of view.

Beowulf is fully aware of the requirements of the Minerals Act and Environmental Code, and has established good relations with the Mines Inspectorate, County and Municipal authorities, forestry authorities and landowners. The areas within the exploration permits do not include any registered National Parks or nature reserves. Prior to commencing exploration works, it is planned to hold a public meeting in the exploration areas for affected parties.

5 EXPLORATION AND MINING ACTIVITY IN SWEDEN

Sweden has a long mining history, and it remains as one of the principal countries within the EU that supports an active exploration and mining industry. Until the early 1990's, the industry was dominated by state-owned Swedish companies – in particular LKAB (Luossavaara-Kiirunavaara Aktiebolag – the Swedish iron ore mining company) and Boliden Mining AB (Boliden). Foreign investment in the Swedish industry during the 1990's and continuing until today resulted from a number of factors, including:

- accession of Sweden to the EU, and conformity of the legal and commercial regulations with EU standards
- reforming the legislation as it pertains to mining and mineral exploration
- recognition of the geological potential for additional styles of mineralisation (e.g. iron-oxide-copper-gold "IOCG") and commodities (e.g. precious metals, diamonds)
- excellent and accessible geoscientific database at the Geological Survey of Sweden (SGU)
- well qualified technical staff, and relatively low cost exploration services (e.g. diamond drilling costs of less than €100 per m)
- no royalties paid on mineral production
- financial incentives provided by the Swedish government both project areas lie within the class A Development Area (Invest in Sweden Agency, Fact Sheet Financial Incentives, 2003), in which grants for new financial investment can range between 20-35% of the total capital investment, grants for employment can be SEK 200,000 per new employee (but note, grants are given for either investment or employment not both), and there are also grants towards long distance transport of freight.
- 28% effective corporate tax rate (2nd lowest in the EU)

Sweden is now rated as one of the most attractive countries in the world for mineral exploration, and this has resulted in new mines being developed (Storliden copper-zinc, Svartliden gold) as well as a number of new discoveries. The principal geological targets are base metal massive sulphide deposits (both volcanogenic massive sulphide – VMS – and Broken-Hill type), orogenic gold mineralisation, iron-oxide-copper-gold (IOCG) mineralization, and diamondiferous kimberlites. A number of major (including BHPBilliton, Phelps Dodge Exploration Sweden AB, Anglo American plc) and smaller mining (Dragon Mining NL, Lundin Mining AB, North Atlantic Natural Resources AB – NAN, MinMet plc) and exploration (Beowulf, Equinox Minerals Ltd, Lappland Goldminers AB, Mawson Resources Ltd, North American Gold Inc., Ovoca Resources Ltd, Tertiary Minerals plc) companies are working in the country. Dragon Mining NL is operating Sweden's newest gold mine at Svartliden. The feasibility study was completed in October 2001, regulatory approval was granted in August 2003, construction and development commenced in November 2003, and ore production in November 2004. This demonstrates that mining projects can be commissioned according to European and Swedish regulatory and permitting requirements within an acceptable length of time.

6 THE JOKKMOKK PROJECT

6.1. Location

The Jokkmokk Project consists of a group of four Exploration Permits covering an area of 8200 ha (82 sq km) within the Jokkmokk Municipality, Norbotten County, in northern Sweden (Table 1, Figure 2).

The area is located about 45 km west of Jokkmokk town, and about 45 km north of the Arctic Circle. The project area is located on 1: 100,000 scale topographic sheets 27I Tjåmotis and 27J Porjus.



Figure 2: Jokkmokk project area with location of the various claims and prospects (from Beowulf Report: The Jokkmokk Project, N. Sweden).

6.2. Exploration Permits and material agreements

The exploration permits Majves 1, Kårvo 1 and Tjäula 1 were originally issued to Firma Geoexperten J-O Larsson on 3 April 2003, and transferred to Beowulf on 6 June 2003. The Mines Inspectorate approved the transfer of title in a document dated 6 June 2003 and with reference Dnr 204-467-03 (copy provided to IEA). Exploration permit Majves 2 was issued directly to Beowulf on 6 June 2003. They are all valid initially for a period of three years from the date of issue. The details are summarised in Table 1.

The Jokkmokk Exploration Permits are the subject of an option agreement with Phelps Dodge Exploration Corporation (Phelps Dodge) dated 2 April 2004, whereby Phelps Dodge has the right to earn up to 80% (eighty per cent.) ownership of any development projects on any of these licence areas by funding all the exploration costs, including the cost of a full ("bankable") feasibility study on any deposit found. Following a decision to proceed to development Beowulf will have to fund its full share of the development costs to retain its 20% interest, or revert to a 1.5% Net Smelter Return.

6.3. Accessibility

The Jokkmokk project area is readily accessible by bituminised roads and a dense network of gravel tracks that are maintained for access to forestry sites and hydroelectric plants. The main road from Jokkmokk to the Kvikkjokk mountain resort centre passes through the project area (Figure 2).

6.4. Local resources and infrastructure

Jokkmokk Municipality covers a large area (18,144 sq km) and is very sparsely populated with only about 6500 inhabitants, about half of whom live in Jokkmokk town. The principal industries are hydroelectric power generation on the Lule river system, forestry and reindeer herding.

Excellent roads connect Jokkmokk to the main regional cities with airports served by regular services from Stockholm, including Luleå (130 km), Arvidsjaur (160 km) and Kiruna (255 km). Jokkmokk is located on the inland railway (Inlandsbanan) from Kiruna to Ostersund, which is still serviceable and from Gällivare there is a line connecting to the main coastal route at Luleå. Luleå is also the principal bulk goods harbour with an annual turnover of about 6.5 million tonnes including 3 to 4 million tonnes iron ore from Kiruna. As mentioned above, the road network within the project area is good.

Jokkmokk provides all the principal services, including schools, hospital, hotels, restaurants and shops. The area is serviced by a broadband telecommunications network.

There is an adequate supply of water to support a mining operation and hydroelectric power is available in the immediate vicinity.

6.5. Climate

The project area is located approximately 35 km north of the Arctic Circle. Mean temperature is about -14 °C in January (1961-1990), with minimums of - 30 °C to - 40 °C being recorded occasionally during the November to March winter season. There is no permafrost. Mean temperature is about +12 °C in July (1961 – 1990), with maximums of over 20 °C being recorded during the June to August summer season. The area is free of snow from about May to October. The spring melt can result in flooding within the river basins.

6.6. Physiography

The project area lies immediately east of the Caledonian Front, which marks the boundary of the main mountain range (elevation of 1700-1900 m) along the border between Norway and Sweden. However, within the project area the topography consists of gentle rolling hills and valleys with numerous lakes (some of which are artificial and relate to hydroelectric dams) and bogs in low-lying areas. Glacial features such as moraines, drumlins and eskers dominate the topography and elevations range from 285 m to 415 m above mean sea level.

The pronounced topographic features trend southeast, which reflects the general movement of the ice and related features. Outcrops are most commonly encountered along rivers and streams but otherwise remain covered by an extensive thin blanket of glacial till and moraine.

Extensive forest covers the area consisting of coniferous and deciduous trees. Reindeer, European elk and wolverine roam through the area.

6.7. Sami – indigenous people

Jokkmokk is a capital of Sami culture and administration for the 20,000 Sami people who live in Sweden. The Sami are organised into communities that are based on reindeer herding areas. Two of these community areas lie within the project area – the Jåkkakaska and Tuorpon communities – and the Mines Inspectorate has informed them about the exploration permits.

6.8. Environmental, Health and Safety

Environmental, health and safety and socio-economic considerations are understood by IEA to be regarded by Beowulf to be an integral part of the effective development of their assets in Sweden. Beowulf has advised IEA that it will ensure that all relevant aspects are considered in a manner consistent with the high standards required by the Swedish Environmental Code, and which details measures required for the:

- Protection of human health and the environment from damage
- Protection and preservation of natural and cultural environments
- Preservation of biological diversity
- Ensuring a sound land and water management
- Encouragement of reuse and recycling of resources

IEA understands that Beowulf is also committed to ensuring that:

- The potential significant health, safety and environmental issues associated with the type of mining and processing operations envisaged are identified at an early stage such that the development of the technical aspects of the project is undertaken in the full knowledge of the potential constraints that might be imposed by health, safety and environmental considerations.
- Any major mitigation measures that might be applied to reduce significant impacts, and their associated costs, are identified as soon as possible.
- The key requirements both of the Swedish regulatory authorities and of potential sources of project finance are addressed at the appropriate time.

These three objectives are consistent with industry good practice and are, in IEA's opinion, acknowledged by Beowulf to be an integral part of this study and as an essential pre-requisite of the more detailed investigations that will be required later in the project life.

Although no formal scoping exercise has been undertaken, an initial evaluation by IEA of the key environmental and socio-economic issues suggests that:

- The current land-use is principally commercial forestry. This land-use is not particularly sensitive.
- The area is also utilised by the local Sami (Laplander) community as a grazing area for reindeer. Consultation with the local community will be required but given the modest site area this is not expected to be unduly problematic.
- The protection of water resources and the management of site run-off and effluent discharge will be a key consideration.

At this stage, IEA has not identified any significant environmental, social or health and safety issues associated with the development of the site beyond those normally considered in mining operations of this type and in this locality. Nevertheless, a formal programme of environmental baseline studies and impact assessment will be required to confirm this preliminary conclusion and to support the necessary permitting applications. During operations, a comprehensive environmental and health and safety management programme will be required to ensure that the mine operates to the accepted standards. Experience on other projects of this type indicates that the technical knowledge and management expertise exists within the industry to achieve a high standard throughout the development.

6.9. Regional Geological Setting and Mineralisation

The Jokkmokk project area is located within Archaean and Palaeoproterozoic Fennoscandian Shield. In northern Sweden the Fennoscandian Shield is an important province for several occurrences of IOCG mineralisation (e.g. Aitik copper, Kiruna iron-apatite) that are spatially associated with 1.88 – 1.87 Ga alkaline intrusions within Archaean basement gneisses and early Proterozoic (ca 1.97 Ga) greenstone sequences (Weihed, 2001; Weihed & Eilu, 2003, Weihed, 2004). The intrusions are interpreted to be syn-orogenic related to the accretion of micro-continents (Lahtinen et al., 2003). The Caledonian thrust fault, which marks the contact to the lower Palaeozoic Caledonides succession, marks the western limit of the shield, and occurs to the west of the project areas.

Table 2 demonstrates that the known copper(-gold) occurrences in northern Fennoscandia meet the criteria for the target style of metasomatic IOCG mineralisation.

IOCG Criteria	Fennoscandian attributes
Age of associated intrusions and orogenic event:	ca 1.8 - 1.9 Ga – within the early Proterozoic favourable age.
Regional Geological Setting:	Multiple phases of rifting with mafic volcanism during the Early Proterozoic followed by the Fennoscandian compressive orogeny together with syn- and post-orogenic intrusives.
Host Rocks:	Mineralisation is hosted by altered graphitic schists interbedded within mafic volcanics (Kiruna Greenstone Group and equivalents) and within altered intermediate to felsic volcanics (Kiruna Porphyry Group and equivalents). Alkali intrusives (syenite, monzonite) are often, but not invariably, spatially related to the mineralisation. The copper mineralisation often occurs in Feoxide mineralised districts, but is only occasionally directly associated with Fe-oxide mineralisation (e.g. Rautuvaara, Finland).
Structure:	There is a clear regional structural control to the location of the mineralisation, ranging from major faults to broad shear zones (e.g. the Nautanen Deformation Zone at Aitik, the Sirkka Line in northern Finland). In detail mineralisation is usually related to development of brittle fracture in competent (hard) host rocks.
Style of Mineralisation:	The mineralisation occurs as veins, disseminations and in breccias. It is usually cross-cutting, and stratabound/stratiform morphologies are considered to reflect intense ductile deformation.

IOCG Criteria	Fennoscandian attributes
Ore mineralogy:	Chalcopyrite, bornite, gold, pyrite, pyrrhotite, magnetite and hematite, with uraninite, cobaltite being reported in some locations.
Gangue mineralogy:	Quartz, calcite, apatite, tourmaline, barite are most commonly reported.
Alteration:	Most occurrences are reported to be associated with albitisation, and/or K-metasomatism, and contribute to the preparation of favourable rheological properties of the host rocks (brittle fracture). Syn-mineralisation hydrous alteration may include biotite, sericite and chlorite, and local silicification may also be present.

Table 2: Summary of geological characteristics of IOCG deposits as they pertain to the Fennoscandian Shield

There are a number of copper and/or gold occurrences recorded from the Jokkmokk project area (see below), and the Vaikilaur copper-gold deposit occurs about 10 km east of the project area. It is hosted by a 1.89 Ga granitoid, varying in composition from diorite to granodiorite, consists of stockwork and disseminated chalcopyrite, pyrite, molybdenite and magnetite mineralisation with quartz of possible porphyry copper style (Lundmark & Weihed, 2003). Grades of up to 5% copper and 7 ppm gold have been recorded in drill core. Phelps Dodge is currently investigating the Vaikilaur occurrence.

6.10. Exploration History

The three Jokkmokk exploration permits cover known occurrences of copper sulphide and/or gold mineralisation that have been explored in the past.

Majves exploration permit covers the lekelvare occurrences that were explored by the state Swedish geological company (SGAB) in the 1970's continuing until 1984. The work included boulder tracing, geochemistry (soil and base-of-till), geophysics (IP – induced polarization, magnetic and EM - electromagnetics), geological mapping, trenching and drilling. In the late 1990's the area was included in exploration permits held by Rio Tinto, but there is no information regarding the work that was undertaken. The Iekelvare occurrences are described by Weihed (2001) as belonging to the IOCG class of deposits.

Tjäula exploration permit covers the Tjäula copper occurrence that was discovered in 1982 by the LKAB and BP Minerals exploration JV, who was following up on earlier work by SGAB in the Tjåmotis area (including regional soil sampling, airborne magnetics, radiometrics, and EM). Geological mapping, ground geophysics (electromagnetic, magnetic), trenching and drilling were undertaken in 1984-85. In the late 1990's the area was included in exploration permits held by Rio Tinto, but there is no information regarding the work that was undertaken.

The Kårvo exploration permit covers the Tallberget gold prospect that was discovered in 1983 by LKAB. Ground geophysics (Magnetics, IP) and drilling was carried out. Tetron Mining AB, a Swedish junior mining company, drilled additional 4 diamond drill holes (DDH) on the prospect in 1989-90.

Table 3 demonstrates that there has been a long history of detailed exploration in the project areas, although it must be emphasised that the ground exploration was directed at very small and specific target areas. Numerous targets defined by boulders, geophysics and/or geochemistry remain to be tested by drilling.

Location	Activity	Comment	Years	Operator
Regional -	Airborne Geophysics	Magnetics, radiometrics, VLF-EM	1970's	SGU
Project area	Gravity		??	SGU
Majves –	Geological Mapping		1972 – 1985	SGAB
Iekelvare	Ground geophysics	magnetics and EM, 22 sq. km.	1972 - 74	SGAB
		IP, 2.5 sq. km.	1973 - 75	SGAB
	Geochemistry	Soil samples (2000 samples)	1971 - 72	SGAB
		Base-of-till cobra samples	1983	SGAB
	Trenching	>7 trenches, >694 m	1984 - 86	SGAB
	Drilling	13 ddh, 2063 m)	1974 - 77	SGAB
Majves –	Geology	Geological mapping and boulder tra	cing 1978	SGAB
Grannuden	Geophysics	IP, Magnetics, EM	1979 - 80	SGAB
	Geochemistry	Organic material from bogs	1978	SGAB

Location	Activity	Comment	Years	Operator
Tjäula	Airborne geophysics	Magnetics, radiometrics, VLF; 30 m altitude, 200 m spacing	Early 1980's	LKAB
	Geochemistry	Organics in streams sediments, heavy minerals	1980	SGU
	Geological Mapping, trenching		1982	LKAB/BP
	Ground geophysics	Magnetics, EM	1982	LKAB/BP
	Drilling	10 ddh, 794 m	1984 - 85	LKAB/BP
Kårvo –	Geological Mapping		1984	LKAB
Tallberget	Ground geophysics	Magnetics, IP, EM	1984	LKAB
	Drilling	10 ddh, 1196 m	1984	LKAB
		4 ddh	1990	Tetron
				Mining AB

 Table 3: Summary of exploration activities in the Jokkmokk Project area prior to Beowulf being granted the Exploration Permits.

6.11. Geology and Mineralisation of the Jokkmokk Project Area

There are no published 1:50,000 geological maps of the area and geological control is therefore poor. Palaeoproterozoic Svecofennian rocks underlie the Jokkmokk project area. Some remnants of Archaean rocks are recorded from north of Jokkmokk, but it is not known if these occur within the project area. The Svecofennian consists of a series of granites, with occasional diorites and mafic dykes that intrude metamorphic supracrustal rocks with intermediate to felsic volcanics, meta-greywacke, marble and amphibolite. A regional NE-SW trending structure, shown on the regional compilation maps (e.g. Metallogenic map of Northern Fennoscandia) and the magnetic compilations, passes through the project area and extends NE towards Kiruna. The Nordkallot metallogenic map shows that the project area is located at a major offset of this structure, which would be a favourable setting for IOCG mineralisation.

The bedrock is covered by till, with only a very few outcrops reported from the project area. Ice movement was generally NW to SE. During the field visit, the area was covered by snow and no outcrops could be inspected.

The Iekelvare area in the Mjaves permit is the most significant of these occurrences. From the reports of earlier work, the mineralisation is located in a diorite near the contact of granite with a diorite, gabbro and mafic meta-volcanics. Previous work has identified numerous mineralised boulders (e.g. best recorded analysis 9.6% copper, 8.0 ppm gold), and earlier drilling has intersected extensive zones of copper mineralisation (e.g. 0.31% copper over 11.9 m; 1.53% copper over 6.2 m). Gold was apparently analysed later, and only in selected cores. The maximum value recorded is 7.8 ppm over 0.4 m, with most values being less than 1 ppm gold. The drill core from one of the earlier holes drilled by SGAB in 1975 (ddh 75002) were inspected in the SGU core storage facility, Malå. According to information provided by the County of Norbotten (1998), a "rough estimation of the "known" reserves in the zone gives 100,000-200,000 tonnes containing about 1% Cu". There is no background information to these figures, and they cannot be treated as JORC compliant.

The mineralisation occurs as disseminations and irregular veinlets of chalcopyrite in a medium-grained hornblende-biotite diorite. The host rock appears to be quite fresh, although the hornblende is often altered to chlorite. Secondary K-feldspar is associated with some clots and veinlets of chalcopyrite. Fine-grained magnetite is commonly found throughout the host rock, and does not appear to be spatially related to the sulphide mineralisation. It is notable that the orientation of both the foliation and sulphide veinlets is parallel to the core axis, and therefore it is difficult to judge the true thickness of the mineralisation. However, two other holes drilled in the same fence (ddh 75001 and 75004 – see Figure 4, extending over 80 m from 75002) also intersected copper sulphide mineralisation, suggesting that it is laterally extensive. The previous work, particularly the drilling and trenching, was concentrated in a relatively small zone extending for only about 400 m along strike, however mineralised outcrops and boulders, and enhanced copper values in base-of-till samples extend for at least 1500 m ESE from the area that has been drilled and studied in detail.

The Granudden prospect is located at the northern end of the Majves permit, about 10 km NW of Iekelvare. The occurrence has been prospected (boulder tracing, geological mapping and ground geophysics), but not drilled. According to the SGU reports, chalcopyrite-mineralised boulders were located, and an outcrop of mineralisation was found in a silicified fault zone.

Information on the Tjäula prospect (Tjäula permit area) is restricted to the results of the earlier work undertaken in the early 1980's. The mineralisation consists of disseminated chalcopyrite, pyrite, magnetite and molybdenite, and is hosted by a meta-sedimentary biotite schists and gneisses. The mineralisation outcrops over a width of 3-5 m, and extends along strike for 700 m. The outcropping mineralisation is reported to contain about 0.5% copper, with up to 2.2% copper over 5 m. Beowulf have identified a zone of gold enrichment in the sediments of Lake Skalka, downstream from the known occurrence. This is interpreted to suggest the possibility of gold associated with the copper mineralisation.

The Tallberget prospect (Kårvo permit) was investigated by LKAB in the 1980's. A mineralised outcrop and series of boulders occur near the main road through the permit area. The mineralisation occurs in mafic meta-volcanics, and consists of disseminated chalcopyrite, bornite, molybdenite, scheelite and pyrite. Gold is recorded from the analyses. The best grades from outcrop are 1.8% copper and 11.2 ppm Au, and from drill core 2.65% copper and 8.0 ppm Au. Subsequent work by Tetron Mining AB in 1989 and 1990 confirmed the presence of copper and gold mineralisation, but did not yield results with the same tenor. Beowulf has not yet undertaken any work on the prospect.

With respect to the IOCG model and potential of the Jokkmokk area, the Kallak iron deposit is of special interest. Although not covered by the Beowulf exploration permits, the deposit occurs in the area between the Majves and Kårvo permits (Figure 2). Kallak is a quartz-banded magnetite iron ore, and is hosted by quartzite within a meta-volcanic and meta-sedimentary supracrustal unit. Resources are estimated at 92 million tonnes at 35-38% iron. The presence of a significant iron oxide deposit in the project area is an additional indication of the potential of the district for hosting significant copper-gold mineralisation, and added support to the validity of the IOCG model in the Jokkmokk area.

6.12. Exploration by Beowulf in the Jokkmokk Project area

The results of the exploration undertaken by Beowulf in 2003, and Phelps Dodge in 2004 under the terms of the Joint Venture agreement with Beowulf, are described below. In summary this exploration demonstrates by favourable surface geochemistry over an area of about 1200 x 500 m, additional untested geophysical anomalies, and by drill tested grades to a vertical depth of approximately 175 meters, the potential of the Iekelvare area in the Majves Permit area for hosting a major copper – gold ore deposit. The drill intercept in MAJ 04001 of 110.30 m containing 0.42% copper, 0.54 g/t gold, 5 g/t silver, and 0.16% zinc is outstanding, and further work within the zone of favourable geochemistry and geophysics could provide the basis of significant discovery. The potential of other occurrences, geochemical anomalies, and geophysical targets within the Permits remains untested, and warrants thorough investigation by a well-planned and detailed exploration programme.

6.12.1. Exploration Results and Interpretation

Beowulf compiled initially the available data from previous work (Table 3), and selected targets for further exploration.

In 2003 Beowulf discovered a group of mineralised boulders in two well defined separate boulder fields located in flat lying, peat bog terrain within spruce forest land typical for the region. The boulder fields were located about 0.4 km apart south and southwest of the SW bay of the Lake Paelkasjaure. Although the boulder fields could not be inspected by IEA due to the snow cover, samples of this mineralisation were seen by the author, and consisted of disseminated to massive chalcopyrite and pyrrhotite with clots of quartz – the highest analysis is 15.75% copper, with several others over 1% copper. Beowulf also describes quartz vein mineralisation in the boulders (not seen by the author) that yielded up to 9.4 g Au/t.

In 2004, under the direction of Phelps Dodge, further detailed data compilation was continued.

During 2004, geochemical surveying of the prospective areas at Iekelvare and Granudden was undertaken using the mobile metal ion (MMI) sampling technique. 613 samples were collected for analysis. The results clearly demonstrate a cluster of anomalous copper values in the Iekelvare area in the Majves Exploration Permit, with the principal area of anomalous copper extending for over 1000 meters in a NW-SE direction (Figure 3).



Figure 3: Copper contents in the Mobile Metal Ion (MMI) samples collected from the Iekelvare area, 2004.

Three diamond drill holes were drilled in April 2004.

Drill Hole No	Co- ordinates	Overburden metres	Core Length metres	Orientation degrees	Angle degrees	Comments
MAJ 04001	7408 455/ 1640 890	2.40	2.40-197.20	258	60	Copper and zinc mineralisation in diorite was intersected throughout the hole. The grades of the best intercept between 34.80 and 45.10m (110.3m) are as follows: • copper 0.42% • gold 0.54 g/t • silver 5 g/t • zinc 0.16%
MAJ 04002	7408 509/ 1640 906	3.30	3.30- 74.00	258	60	Mainly barren diorite/ pegmatitic rock
MAJ 04003	7408 159/ 1641 089	3.35	3.35-94.20	230	45	Mainly barren granitic rock.

Table 4: Drill-hole summary, Majves area, Jokkmokk Project, 2004.

The location of MAJ04001 is shown on Figure 2 as D1MAJ. It was designed to test the copper and gold mineralisation found in drill holes 75001 and 75004 (see section 6.11 above). In addition to the intercept shown in Table 4, a shorter interval of 37.60 m (91.40-129.00m) yielded 0.63% copper, 0.87 g/t gold, 8 g/t silver, 0.21% zinc.

The drill core was inspected by IEA at Phelps Dodge core storage facility in Kiruna, northern Sweden. The mineralisation consists of disseminated and fracture-controlled pyrite, chalcopyrite, arsenopyrite and magnetite. Sphalerite is observed occasionally. The mineralization is associated with silicification and the formation of secondary biotite. The average grades in the longer intercepts are supported by zones of high-grade mineralisation, which is normal for this style of deposit.

According to information provided by Beowulf:-

- MAJ 04002 tested a combined geochemical and geophysical conductor north of MAJ 04001, but the planned target was not reached by drill hole, and
- MAJ 04003 tested possible copper-mineralised outcrop underneath the aggregate of high grade copperboulders discovered in 2003, but again the planned target was not reached by drill hole.



Figure 4: Summary section showing the distribution of copper and gold in drill hole of MAJ04001 (Beowulf, 2005).

In view of the regional geology, mineralisation and alteration, the interpretation in terms of an IOCG style of target mineralisation is reasonable.

6.12.2. Sampling method and approach

To date Beowulf and Phelps Dodge have applied three field exploration and sampling techniques in the area: boulder tracing and sampling, MMI geochemistry and diamond drilling.

Beowulf has undertaken boulder tracing, which is an accepted exploration practice in Sweden.

In discussion with Phelps Dodge, it was confirmed to IEA that the MMI (mobile metal ion) geochemical technique has been applied successfully elsewhere and in similar terrains in northern Sweden. It is a useful technique since it provides information about the metal content of the bedrock by sampling the soil from a depth of only about 20 cm. Samples are sieved to free from coarse and organic material. Interpretation of the results requires experience, and must take into account variables such as topographic relief and elevation, soil types and time of year that the samples were collected. IEA considers that base-of-till (deep overburden) sampling would provide a more definitive description of the bedrock geochemistry and it is understood that this technique might be applied in the future.

The sampling of core from diamond drilling is the most effective method of defining the composition of the bedrock, and presence of any mineralisation. A competent contractor under the supervision of Phelps Dodge field staff undertook the drilling. Deviation of the drill hole was surveyed every 10 m. Phelps Dodge geologists logged the core, the magnetic susceptibility of the core was measured at regular intervals, and the core was marked for sampling at intervals of 0.5 to 2.0 m depending on the observed lithology and mineralisation. A total of 145 samples were collected from the core of MAJ04001.

6.12.3. Sample preparation and security

Prior to the association with Phelps Dodge Exploration, Beowulf submitted all samples to CL Prospektering AB, Malå, for drying, splitting and preliminary crushing. This facility was seen by IEA. The samples were bagged and shipped to the sample preparation facility at Öjebyn, near Piteå in northern Sweden that is operated by Swedish Geochem Services AB as an agent for ALS Chemex. Here the samples were crushed, ground and split. The pulverised samples were sent for analysis to the ALS Chemex laboratory in Vancouver, Canada. Samples were analysed for gold by fire assay and AAS, and for other elements by ICP. ALS Chemex laboratories in Canada have an ISO 9002 accreditation for quality control, and participate in the Assayer Certification programme in the Canadian province of British Columbia.

Since Phelps Dodge assumed management of the project, the MMI samples were collected along lines controlled by GPS by Phelps Dodge field personnel, and were analysed for copper, zinc, cadmium and lead by XRAL laboratories in Canada.

The core from the diamond drilling was shipped in core boxes to the Phelps Dodge core storage facility in Kiruna, where it was split with a diamond saw. Half of the core marked for sampling was bagged, and shipped to CL Prospektering AB, Malå, for drying, splitting and preliminary crushing. The splits were sent to ACTlabs, Toronto, Canada for analysis by Neutron Activation for over 30 elements including gold, silver and zinc, and 20 elements including copper, silver and zinc by ICP. 56 samples were also analysed for gold by fire assay and AAS by Omac Laboratories, Ireland.

6.12.4. Data validation

Phelps Dodge initiated a programme of submitting standard reference materials, blanks and duplicates with their field samples to the laboratory for check analyses. It is understood that the correlation between the analytical results with the known contents for the standard reference materials, blanks and duplicates was good. The analysis for gold by neutron activation was checked on 56 samples by analysis by fire assay, and again the correlation between the two data sets is understood to be good.

A database validation programme will be required once the project has reached a more advanced stage that includes geological modelling and initial resource estimation.

6.12.5. Exploration Plans and Budget

It is understood that Phelps Dodge will be drilling an additional 1500 m in at least four drill holes in the Majves Exploration Permit during the first half of 2005. These drill holes will test combined geochemical (MMI) and geophysical targets, and the extensions from the mineralisation already identified. In IEA's opinion, the potential of other occurrences, geochemical anomalies, and geophysical targets within the Permits remains untested, and warrants thorough investigation by a well-planned and detailed exploration programme including geochemical sampling by deep-overburden drilling as well as diamond drill testing of combined geological, geochemical and geophysical targets in the other targets identified in section 6.11.

7 THE GRUNDTRÄSK PROJECT

7.1. Location

The Grundträsk Project consists of a group of three Exploration Permits covering an area of 4276 ha (42.76 sq km) on the border between the Malå and Norsjö Municipalities, Västerbotten County, in northern Sweden (Figure 5). The area is located about 25 km east of Malå town on 1:50,000 scale map sheet 23J Norsjö NV, with the centre of the area being at about 19° 20'E and 65° 05'N.



Figure 5: Location of the Grundträsk Project, Skellefte Mining District, N. Sweden (from Beowulf Report: The Grundträsk Project, N. Sweden).

7.2. Exploration Permits and material agreements

The exploration permit Grundträsk 1 was issued by the Mines Inspectorate to Beowulf Gold PLC on 11 March 2003 (copy seen by IEA), and Grundträsk 2 and 3 on 13 February 2004 (Table 1). They are all valid initially for a period of three years from the date of issue.

An agreement dated 14 November 2003 with Scanex Group and MIRAB Mineral Resources AB, from whom Beowulf purchased the data pertaining to earlier work, allows for a US\$5000.00 initial and US\$2000.00 annual cash payment and a 1% Net Smelter Revenue royalty of one per cent. on any metal or mineral production from the property.

7.3. Accessibility

The Grundträsk project area is readily accessible by bituminised roads and a dense network of gravel tracks that are maintained for access to forestry sites and hydroelectric plants. The main road from Skellefteå to the Malå passes through the project area.

7.4. Local resources and infrastructure

The Malå (1,611 sq km, 3,723 inhabitants) and Norsjö (1,753 sq km, 4,804 inhabitants) Municipalities are relatively thinly populated, and most live in the municipal town centres and small villages in agricultural areas. The principal industries are mining, hydroelectric power generation on the Skellefteå river system, forestry and minor agriculture.

Excellent roads connect Malå to the Skellefteå (125 km), which is the nearest regional city with an airport served by regular services from Stockholm. Ore is transported on this road by truck from the Storliden mine to the concentrator plant in Boliden (ca 95 km). Boliden is connected by railway to the Ronnskär copper smelter and Skellefteå harbour. As mentioned above, the road network within the project area is good.

Malå provides all the principal services, including schools, medical centre, hotel, restaurant and shops. The area is serviced by a broad band telecommunications network. Malå has become a geoscientific and logistical centre for companies working in northern Sweden, due to the presence of:

- SGU Mineral Information Office, which has an extensive library of exploration reports as well as a core storage facility, which can also be used to log and photograph cores;
- GeoRange scientific research centre and museum concentrating on the geology of the Skellefteå mineral belt;
- Malå Geoscience AB a company developing and manufacturing geophysical instruments; and
- Private company (CL Prospektering AB) providing exploration services (drilling, sampling, sample preparation, core splitting and sawing, etc.).

There is an adequate supply of water to support a mining operation and hydroelectric power is available in the immediate vicinity.

7.5. Climate

The project area is located in central northern Sweden. Mean temperature is about -12 °C in January (1961-1990), with minimums of - 30 °C being recorded occasionally during the November to March winter season. There is no permafrost. Mean temperature is about +14 °C in July (1961-1990), with maximums of over 20°C being recording during the June to August summer season. The area is free of snow from about May to October. The spring melt can result in flooding within the river basins.

7.6. Physiography

The topography of the project area consists of gentle rolling hills and valleys with numerous lakes (some of which are artificial and relate to hydroelectric dams) and bogs in low-lying areas. Glacial features such as moraines, drumlins and eskers dominate the topography and elevations range from 250 m to 350 m above mean sea level.

The pronounced topographic features trend southeast, which reflects the principal geological structural trend as well as the general movement of the ice and related features. Outcrops are most commonly encountered along rivers and streams but otherwise remain covered by an extensive thin blanket of glacial till and moraine.

Extensive spruce forest covers the area. Reindeer and European elk roam through the area.

7.7. Sami – indigenous people

There is a Sami community in the project area, although Malå is located near the southern margin of Sami reindeer herding.

7.8. Environmental, Health and Safety

The text presented in section 6.8 is equally relevant to the Grundträsk project area and IEA has no further observations to make.

7.9. Regional geological setting and mineralisation

The Grundträsk project area lies within the Skellefte mining district, which covers an area of about 150 x 50 km (Figure 5). The geology of the Skellefte mining district is interpreted to reflect the development of an island arc at about 1.8 Ga. In common with most other geotectonic settings for the formation of massive sulphide mineralisation, the VMS mineralisation in the Skellefte arc was formed during a period of tectonic extension (Allen et al., 1996; Weihed & Eilu, 2003). The Skellefte volcanic arc is unusually enriched in gold, with the Boliden deposit being a particular example. This gold mineralisation may have occurred during a phase of hydrothermal activity after the formation of the massive sulphide mineralisation. The term orogenic gold is used to describe these deposits, implying that there were formed during the 1.8 Ga Svecofennian deformation of the Skellefte Group.

Deposit	Million	n Tonnes	g Au / t	g Ag / t	Comment
Boliden	8.3	15.5	50		VMS with 1.4% Cu, 0.9% Zn, 0.3% Pb
Holmtjärn	0.5	7.4	92		VMS with 0.4% Cu, 4.0% Zn, 0.4% Pb
Björkdal	14	2.2			Orogenic gold – original 1997 resource estimate, now operated by MinMet plc
Åkerberg	1	3			Approximate figures – operated by Boliden, now closed. Orogenic gold

Table 5: Principal gold deposits in the Skellefte District

Of the deposits noted in Table 5, note that the Holmtjärn deposit is located less than 5 km east of the Grundträsk project area. Weihed & Mäki (1997) report several other sub-economic occurrences of orogenic-type of lode gold mineralisation within the Skellefte district, including Grundfors, Storklinten, Vinliden and Middagsberget. Characteristic features of the orogenic-type of gold deposits in the Skellefte district include:

- structurally controlled regional shear zones and related faults
- associated with swarms of quartz veins varying in width from several mm to 1 m
- associated with sulphides, principally pyrite, arsenopyrite, pyrrhotite and chalcopyrite
- hosted by meta-sedimentary or meta-volcanic rocks within the 1.88 Ga Palaeoproterozoic Skellefte group, and at Björkdal also by synorogenic intrusives
- gold occurring as electrum and tellurides, as inclusions within sulphides, on fractures or contacts between sulphide grains, in quartz and sulphide veinlets
- sericite and chlorite alteration of the host rocks

Weihed & Eilu (2003) and Weihed & Allen (2004) conclude that the orogenic gold deposits are related to metamorphic fluid flow in shear zones during compressional deformation.

In addition to the gold mineralisation discussed above, the following VMS deposits are reported from the immediate vicinity of the Grundträsk project area:

- Holmtjärn mine: discovered in the 1920's, with 0.5 Mt @ 0.4% Cu, 4.0% Zn, 0.4% Pb, 7.4 g Au/t and 92 g Ag/t
- Mauriliden mine: 6.9 Mt @ 0.2% Cu, 3.4% Zn, 0.4% Pb, 0.9 g Au/t and 4.9 g Ag/t
- Rakkejaur: >17.0 Mt @ 0.2% Cu, 3.4% Zn, 0.4% Pb, 0.9 g Au/t and 4.9 g Ag/t

7.10. Exploration History

The Grundträsk project area lies within the Skellefte mining district, which covers an area of about 150 x 50 km and supports six base metal mines and two gold mines (refer Figure 5).

Modern mining in the district commenced in the 1920's following the discovery of the gold-rich mineralisation at Boliden. Although Boliden Mineral AB (Boliden) have successfully continued to explore for and produce from the volcanogenic massive sulphide (VMS) copper-zinc mineralisation, the most recent discovery was the Storliden mine which was discovered in 1997 by North Atlantic Natural Resources AB (NAN) and brought into production in 2002. The Storliden mine, which is located 8 km NE of Malå, was initially estimated to have a resource of 1.8 Mt @ 0.3% Cu, 2.4% Zn, 0.2% Pb, 1.0g Au/t and 50 g Ag/t. Over 85 VMS deposits have now been identified, and 25 have been mined since 1924 (Weihed & Mäki, 1997; Allen et al., 1996). Although the original Boliden mine worked unusually Au-enriched VMS mineralisation (8.3 Mt @ 1.4% Cu, 0.9% Zn, 0.3% Pb, 15.5 g Au/t and 50 g Ag/t), the lode gold deposits at Björkdal and Åkerberg were first discovered in 1985 and 1989 and put into production in 1988 and 1989 respectively.

Scanex and the MIRAB group, who were working under a joint venture with Barrick Gold, had carried out previous exploration on the Grundträsk project area during the 1990's. The initial work in this joint venture included a regional, large-scale, deep overburden sampling survey. Sample points were spaced at 1-2 km, and locally 200 m. This survey yielded very high values up to 1500 ppb Au. As a result, the Gallejaure group of exploration permits were issued over the same general area as the current Grundträsk permits. Regional geophysical data (airborne magnetics, radiometrics and EM (VLF) flown at a 30 m altitude on 200 m spacing, gravity) was already available from the SGU. Scanex undertook IP surveys and, in 1996, drilled three ddh (one of which was abandoned at only 25 m) into an IP target. Shortly thereafter Barrick withdrew from the JV. Various efforts were made to bring in another JV partner, including NAN who undertook an additional IP survey in 2001. After reviewing the data, and recognising the significance of the very high gold values in the base-of-till geochemistry, Beowulf acquired the dataset from Scanex and applied for the exploration licences. In 2003 Beowulf drilled an additional 3 ddh, which are described in more detail in section 7.12.

In addition to the regional geophysical and geochemical data that is available from the SGU, and the new 1: 50,000 scale geological map (SGU series Ai nr 174 Berggrundskartan 23J Norsjö NV) has recently been published as part of the programme for bed rock mapping of the Skellefteå mineral district.

7.11. Geology and Mineralisation of the Grundträsk Project Area

The geology of the Grundträsk exploration permits (Figure 6) is dominated by three principal geological units (from oldest to youngest):

- meta-volcanics of the Skellefte Group
- early orogenic intrusive rocks metamorphosed gabbro and quartz monzonite (Gallejaur and Högnäs intrusive complexes)
- clastic meta-sedimentary rocks of the unconformably overlying Vargfors Group



Figure 6: Geological map of the Grundträsk project area showing combined exploration data (geochemistry and geophysics) with locations of diamond drillholes DDH 03 001-3, DDH 04 001-3 and DDH 05 001, 3 and 4, and discovery sites of high-grade gold-silver boulders. From Beowulf 2005, and geology from SGU Geological Map Sheet 23 J Norsjö NV, SGU, Ai 1777 (2003).

There is very little outcrop in the project area, which is covered by a layer of glacial till that is usually only about 5 m thick, but can locally in bog areas exceed 20 m. The ice movement was from the NW to the SE.

The known mineralisation is hosted by the mafic (basalt to andesite) meta-volcanics of the Skellefte Group. In drill core the rock is a dark-green andesite and lithic tuff with cm-size fragments of andesite. The intrusive complexes are very distinctive circular magnetic (particularly Gallejaur) and Bouguer gravity features – indeed among the most identifiable geophysical responses in northern Sweden. Liljequist (2002) has presented an alternative explanation whereby these circular features are impact structures, with the coarse clastics in the overlying Vargfors group being the post-impact fill material.

The Grundträsk project area is located at a significant structural "deflection" of the Skellefte belt (Figure 3). To the southeast, the structure of the area is dominated by the NW-SE trending strike of the Skellefte Group, and in the Grundträsk area the structural grain bends towards the west. The significance of this change in strike of the structure is not known, but it does correspond to the location of the Gallejaur and Högnäs synorogenic intrusive complexes.

The only mineralised occurrence of sulphide mineralisation, registered in the SGU mineral occurrence database, from the Grundträsk project area is a small digging located at Brännberg. There are no details.

Drill core from the earlier exploration was inspected in the SGU core-logging facility, Malå. The host rock is a dark green, locally plagioclase-porphyritic meta-andesite and andesite tuff, which is locally brecciated and intercalated with coarse lithic tuff. The host rock often contains minor disseminated pyrite. Visible gold has not been reported and was not observed, and it is presumed that the gold is associated with the arsenopyrite and pyrrhotite mineralisation. However it should be noted that some sections yield high arsenic, and are marked by arsenopyrite mineralisation, but report insignificant gold values. Inspection of the sections yielding high arsenic, but insignificant gold, shows that the arsenopyrite mineralisation occurs with the shearing and alteration, but enhanced gold analyses are reported from only those samples where the later fracture-controlled quartz veining is overprinted on the ductile deformation. A preliminary conclusion suggests that the sulphide mineralisation occurred during ductile shearing, that the gold mineralisation might therefore be later during a phase of brittle fracture and quartz veining.

7.12. Exploration by Beowulf in the Grundträsk Project Area

The structural and geological setting, mineralogy and associated alteration of the gold mineralisation in the Grundträsk project area bear many similarities to the other known occurrences in the Skellefte district. As such, the Grundträsk should be considered as favourable for the presence of gold mineralisation. The Grundträsk area was originally identified as a gold target by the very anomalous gold contents in the regional base-of-till samples collected by the Scanex-Barrick JV. According to SGU staff, values of 1500 ppb Au in base-of-till samples are exceptional and 50 ppb Au is considered very anomalous. Base-of-till samples yielding anomalous gold values are scattered throughout the permit areas.

Beowulf has advanced the project significantly by demonstrating gold mineralisation in drill core over a NW-SE strike length of about 600 m that coincides with a strong IP anomaly. In addition, further prospecting and drilling has confirmed gold mineralisation at several other localities in the project area.

7.12.1. Exploration Results and Interpretation

After compiling the available data obtained from the SGU and Scanex, Beowulf drilled three diamond drill holes (ddh) in 2003, and a further three in 2004, and 2005 (Table 6).

· ·			,	·		
Drill hole No.	Coordinates	Depth of hole (m)	Azimuth (degrees)	Angle of drill hole (degrees)	Interval	Gold Assay (g/t)
03001	7230 059/ 1666 240	106.20	212	45	17.00 - 22.90 = 5.90	1.27
03002	7229 977/ 1666 342	74.20	212	45	Mineralisation not interce	pted
03003	7230 103/ 1666 205	82.75	212	45	20.70 - 25.90 = 5.20 m	1.43
04001	7230 196/ 1666 094	94.38	190	45	18.47 - 20.48 = 2.01 m	1.33
					53.00 - 57.62 = 4.62m	2.80
					53.00 - 70.50 = 17.30m	1.05
04002	7230 220/ 1666 048	54.30	180	45	49.70 - 50.70 = 1.00m	1.17
04003	7230 267/ 1666 053	72.63	180	45	13.50 - 15.60 = 2.10m	1.92
05001	7231 505/ 1667 094	100.20	330	45	Assays not yet received	
05003	7229 368/ 1665 973	50.80	210	45	Assays not yet received	
05004	7229 752/ 1664 495	100.55	210	45	Assays not yet received	

Table 6: Summary of Beowulf drill holes in the Grundträsk Project area

The core from ddh 0303 demonstrates broadly similar relationships between the deformation and the mineralisation, but there is markedly more pyrrhotite with the arsenopyrite and the gold-enriched sections are silicified. Coarse crystals of (presumably) secondary K-feldspar occur near the mineralisation. The ddh 0303 was drilled perpendicular to the earlier ddh 96 001, and demonstrates that the latter, which yielded a section of 45m with 0.46 g Au / t, was most probably drilled down the plunge of a mineralised structure and that the structures are dipping at about 45° to the east. The section prepared by Beowulf (Figure 7) suggests that there may be several discrete zones of sulphide \pm gold mineralisation within the area.



Figure 7: Section through ddh 96 001 and 03 003 showing mineralised structures as interpreted by Beowulf (from Beowulf Report: The Grundträsk Project, N. Sweden).

The drilling in 2004 focused on confirming the northwest extension of the mineralised zone. The core from drill hole number 04001 were reviewed and the core stored at the SGU core-logging facility, Malå. Arsenopyrite occurs with chalcopyrite in late-stage quartz veinlets in the intervals that yield the highest grades of gold. The results demonstrate that the mineralisation does continue for a further 200m along strike northwest from Beowulf's drill hole 03003, and also intersects the several discrete zones of gold mineralisation that were suggested by the 2003 drilling campaign.

The results of the 2005 drilling campaign have not been received; however IEA has reviewed the core stored at the SGU core-logging facility, Malå. Drill hole 005004 is particularly significant since the observed mineralisation suggests that the mineralised zone extends along the strike of the IP anomaly for over 300m southeast of Beowulf hole 03002. IEA observed streaks and bands of arsenopyrite and pyrite in zones of intense alteration and mylonitisation from about 15 to 45m. Tourmaline was observed as being associated with the mineralisation, and is significant since it is found at other gold-bearing mines in the Skellefte district. Drill hole 05001 was located down-ice from mineralised boulders (see below), and targeted a strong IP anomaly. Disseminated clots of pyrrhotite and minor chalcopyrite were observed in altered andesite in the section from 70 to 76m. Drill hole 05003 targeted a coincident IP structure and strong base-of-till geochemical anomaly. Fine disseminations of pyrite and arsenopyrite were observed in andesite pyroclastics, but the core is broken and the hole had to be abandoned due to drilling problems.

In addition to the drilling results, Beowulf reported on 2 December 2003 that "Amateur geologists taking part in the Annual Mineral Hunt ("Mineraljakten") organised by the Geological Survey of Sweden were awarded a winning prize for a boulder with gold grade of 11.6 g/t gold and silver grade of 208 g/t, within the extension of Beowulf's Grundträsk Licence." This was confirmed to IEA by the staff at the SGU, Malå, who organise and validate the mineral finds. Beowulf also notes that the mineralogy of the sample – a lack of arsenopyrite – is different to that found in the mineralisation intersected by the drilling. The location of this boulder down-ice from the Högnäs intrusive complex, which is also marked by anomalous copper-gold in base-of-till samples, suggests that it might be an additional target for exploration. It should also be noted that the mineralisation at Björkdal is associated with a swarm of quartz veins in a monzonite synorogenic intrusion, at its contact with the meta-volcanics of the Skellefte Group.

7.12.2. Sampling method and approach

The diamond drilling generally yielded good recovery of 39mm and 46mm diameter core. After sawing along the axis, one half of each 1 m run of core in the box was selected as a sample for crushing. The length of the sampled core varies between about 0.90 and 1.00m. Core sample sections are not selected on the basis of lithology or mineralisation. Although this method provides an initial unbiased overview of the distribution and grade of the mineralisation, it is considered that the sampling method will have to be reviewed as soon as resource estimation is anticipated. Shorter sampling intervals based on lithology and/or mineralisation may be required by the geologist, and marked accordingly on the core. In view of the structural controls to the mineralisation, it is also recommended that the drill core should be oriented in order to assist in future structural analysis.

7.12.3. Sample preparation and security

Beowulf submitted all samples to CL Prospektering AB, Malå, for drying, splitting and preliminary crushing. This facility was seen by IEA. The samples were bagged and shipped to the sample preparation facility at Öjebyn, near Piteå in northern Sweden that is operated by Swedish Geochem Services AB as an agent for ALS Chemex. Here the samples were crushed, ground and split. The pulverised samples were then sent for analysis to the ALS Chemex laboratory in Vancouver, Canada. Samples were analysed for gold by fire assay and AAS, and for other elements by ICP. ALS Chemex laboratories in Canada have an ISO 9002 accreditation for quality control, and participate in the Assayer Certification programme in the Canadian province of British Columbia.

7.12.4. Data validation

There is insufficient data, and the programme is not sufficiently advanced, to justify a data validation programme. However, it is advisable that quality control samples are submitted on a regular basis, and a preliminary audit of the data in the Scanex dataset is undertaken and documented. Drill core is retained in the SGU core storage facility, Malå, where it can be re-sampled as necessary.

7.12.5. Exploration Plans and Budget

Beowulf has prepared a costed exploration programme to test the remaining targets defined by the anomalous geochemical samples, EM and IP conductors. The proposed programme is summarised in Table 7.

Technique	Proposed work	Comment
base-of-till sampling	50 lines, 400 m long, 20m sample spacing, total 1000 samples	identification of bedrock source of gold for better drill target definition
IP geophysics	30 lines, 2000 m long, 60 line-km	will be used to test for conductors in the exploration permits #2 and #3 in areas of anomalous geochemistry
diamond drilling	total of 5000 m	sufficient to test the known, and any newly discovered targets

Table 7: Summary of the proposed exploration programme, 2005

Beowulf estimates that the total cost for this programme to be about SEK 7 million (\notin 760,000). An additional SEK 1.5 million is planned for preparing the assessment work to transform the Grundträsk exploration permits into mining concessions. If the project advances to this stage, then it must be assumed that a resource has been established and the above comments pertaining to sampling, core handling, mineralogical studies and data validation procedures must be taken into account from the next phase of the programme.

The exploration programme is ambitious. Presuming that the programme progresses logically, and that the results warrant the continuing expenditure, then the information obtained should be sufficient to quantify an initial mineral resource.

8 THE USSALAHTI PROJECT

8.1. Location

The Ussalahti Project consists of a group of 3 Exploration Permits covering an area of 923 hectares (9.2 sq km) within the Kiruna Municipality, Norbotten County, in northern Sweden (Table 1, Figure 2).

The project area is located on the shores of Lake Vittangijärvi, about 40 km NNE of Kiruna town, and is covered by the 1:100,000 scale topographic sheet 30K Soppero.

8.2. Exploration Permits and material agreements

The three Exploration Permits were issued in January and February 2005 (Table 1). Beowulf has reported (Press Release of 18 January 2005) that they have concluded Confidentiality Agreements pertaining to the Ussalahti Exploration Permits with a major North American and a British Exploration Company. Signing of a Confidentiality Agreements is a normal procedure to protect the interests of the Permit holder, but it is understood that Beowulf has concluded no Joint Venture or other agreements that would affect their 100% ownership of the Permits.

8.3. Accessibility

IEA has not visited the Exploration Permits. It is understood that a gravel road from Kiruna leads to within 5 km of the main field area, from where access to the site is by foot or helicopter.

8.4. Local Resources and Infrastructure

Kiruna city, with a population of about 20,000, is the principal commercial centre in northern Sweden. The principal industry in Kiruna Municipality is the iron ore mining operated by the LKAB Company. In addition tourism and advanced technologies related to the Esrange Space Research Centre are important to the local economy.

Excellent roads and a railway connect Kiruna to Luleå on the Swedish coast as well as Narvik in Norway. Kiruna is served by regular flights from Stockholm. Kiruna provides all the principal services, including schools, hospital, hotels, restaurants and shops.

There is an adequate supply of water to support a mining operation and hydroelectric power is available in the immediate vicinity.

8.5. Climate

The climate of the project area is similar to that at Jokkmokk (section 6.5) with cold winters and mild summers.

8.6. Physiography

Glacial features such as moraines, drumlins and eskers dominate the topography and elevations range from 437m to 520m above mean sea level.

Outcrops are most commonly encountered along rivers and streams but otherwise remain covered by an extensive thin blanket of glacial till and moraine.

Due to its northern latitude, forest is only very poorly developed. Reindeer, European elk and wolverine roam through the area.

8.7. Environmental, Health and Safety

The text presented in section 6.8 is equally relevant to the Ussalahti project area and IEA has no further observations to make.

8.8. Regional geological setting and mineralisation

Volcanic rocks, commonly known as greenstones, of the Kiruna Greenstone Group, underlie the Ussalahti project area. Martinsson (2004) describes the Kiruna Greenstone Group as overlying Archaean basement and being generated during a rifting event at approximately 2.1 Ga. The lower part of the greenstones is dominated by basaltic volcanic rocks and komatilites, with clastic sediments and evaporites as minor constituents at the base of the pile. Volcaniclastic sediments with intercalations of graphitic schist and carbonate rocks are found in the middle and upper parts.

There are two target styles of mineralisation hosted by the rocks within the Kiruna Greenstone Group (Figure 8):

- stratiform copper sulphide mineralisation similar to that at the Viscaria deposit (original reserve 14.2 Mt containing 3.5% copper and 0.30 grams per tonne gold).
- epigenetic copper-gold mineralisation similar to that at Pahtohavare (1.7 Mt ore containing 1.9% copper and 0.9 grams per tonne gold).



Figure 8: Occurrences of epigenetic copper and gold mineralisation in Norbotten, Sweden, showing the location of the Ussalahti Project area (Martinsson, 2004).

8.9. Exploration History, Geology and Mineralisation of the Ussalahti Project Area

The project area was the subject of earlier investigations by LKAB Exploration Company in the 1970's and 1980's, and Daler Mining company during the late 1990's. Work included geological mapping, geochemical and geophysical surveys, and drilling.

The exploration history can be summarised as follows:

- 1975: regional geochemical survey by SGU, sampling organic material in stream sediments, and heavy mineral concentrates from till. This survey demonstrated a very strong copper response (14 times background, after taking into account absorption by Fe- and Mn-oxides) for copper and zinc. No gold analyses. Centred on the Ussaniemi peninsula and Ussalahti bay in the Vittangijärvi Lake.
- 1976: follow-up by samples of organic material collected from bogs marginal to drainage areas. This shows a very strong and extensive copper anomaly (greater than 1000 ppm Cu) extending from the Ussavaara Mountain down the drainage for about 2 km.
- 1977: Ground magnetics and slingram EM defined pronounced anomalies in the bog areas south of the Ussavaara Mountain, as well as weaker responses over the Ussavaara Mountain.
- 1978-1979: LKAB drilled a profile across the strong anomalies in the bog, and identified zones of pyrite, pyrrhotite accompanied by graphite these explained the strong geophysical response.
- 1979: detailed C-horizon and humus soil sampling defined a strong Cu and Zn anomaly with well-defined peaks of greater than 400 ppm Cu and Zn centred on the top of the hill forming the principal catchment areas sampled previously.
- 1980: basal till survey (till thickness 1-2m) on a line across the principal Cu and Zn anomaly defined in the soil programme, and confirmed the anomaly with peak values of 475 ppm copper, with greater than 200 ppm extending over a width of 250 m. Orientation IP surveys demonstrate a weak anomaly.



Figure 9: Ussalahti Exploration Permits, Kiruna, N. Sweden. Airborne Magnetics with recorded drill holes and regional basal till samples with copper contents (Beowulf, 2005).

Most of the documentation pertaining to the above exploration history is on open-file at the SGU Regional Office in Malå.

Exploration by Brandon Gold / Daler Mining in the 1990's included regional airborne EM and magnetic surveys, regional base of till sampling and 46 drill holes – some of which were located in the west of the Project Area, but not in the Ussavaara Mountain area. Most of this data is privately owned, and is not available to Beowulf. The drill logs and cores are available in the SGU facility, and area being reviewed and compiled by Beowulf.

Other companies currently holding Exploration Permits in the Kiruna area include Anglo American and BHPBilliton, who both have Exploration Permits bordering south of the Ussalahti Permits, Phelps Dodge, and Lundin Mining AB.

8.10. Exploration by Beowulf in the Ussalahti Project Area

Beowulf has compiled all the available data from the Ussalahti Project area, which covers an area marked by strong geochemistry for copper and zinc with coincident geophysical anomalies. Beowulf has determined that previous drilling was centred over an area of enhanced geochemistry caused by hydromorphic dispersion from the source area on Ussavaara Mountain. This source area on Ussavaara Mountain has not been tested by drilling, and forms the principal target for Beowulf's planned exploration programme.

Beowulf only obtained the Exploration Permits in early 2005 (Table 1), and has not yet undertaken any fieldwork. It is therefore too early to comment on the sampling procedures.

9 CONCLUSIONS

The Beowulf project areas in northern Sweden – Jokkmokk, Grundträsk and Ussalahti – are located in areas underlain by geology with a proven potential for hosting IOCG copper-gold, orogenic lode-gold and stratiform copper-gold mineralisation. The first two of these types of mineralisation support mining operations in northern Sweden – for example the Björkdal gold mine and the Aitik copper mine – whereas the latter style of mineralisation was the source of ore at the Viscaria and Pahtohavare mines, both of which are now closed.

All projects are in an exploration phase and there are no mineral resources within either project area that conform to either the JORC Code or the NI-43-101 definitions. However, the project areas all have a long history of mineral exploration, including airborne and ground geophysics, geochemistry, boulder tracing and drilling. Most of these exploration activities are well documented and available to Beowulf.

Detailed exploration by Beowulf during 2003 and 2004 at Grundträsk has confirmed and extended the gold mineralisation, which is now known to occur over a strike length of at least 600m in one locality, and there remain numerous geochemical and geophysical targets for testing. Beowulf has prepared a comprehensive and ambitious exploration plan at Grundträsk, which IEA considers is appropriate in scope and realistic in cost. This exploration will continue to test the possible extensions from the known occurrences of gold mineralisation, as well as new targets defined by earlier geochemical and geophysical surveys. It is anticipated that the information derived from this work will be sufficient to quantify a mineral resource. This will then form the basis for subsequent more detailed work to convert the resource to a mineable reserve.

Drilling carried out during 2004 at the Majves area in the Jokkmokk Project area has confirmed the existence of significant copper-gold mineralisation with many similarities to the IOCG model, and emphasised the potential for an economic discovery of the target style of mineralisation. Phelps Dodge Exploration Corporation, under the terms of the Joint Venture with Beowulf, will conduct the next phase of exploration on the Jokkmokk project area. Phelps Dodge is a major copper mining company, and has the expertise both to recognise the potential of the Jokkmokk area as well as to undertake a focused and effective exploration programme.

The recent acquisition of the Ussalahti Exploration Permits, which contain good geophysical and geochemical targets for copper-gold mineralisation, reflects the expert understanding of the geology and previous exploration activities in northern Sweden by the Beowulf technical team. Beowulf is now well positioned to play an important role in the exploration for copper and gold of the Kiruna district.

10 BIBLIOGRAPHY OF INFORMATION USED TO PREPARE THE REPORT

References

Allen, R.L., Weihed, P. & Svenson, S-Å (1996): Setting of Zn-Cu-Au-Ag massive sulphide deposits in the evolution and facies architecture of a 1.9 Ga marine volcanic arc, Skellefte district, Sweden. Economic Geology 91: 1022 – 1053.

Beowulf Gold PLC (2003): The Jokkmokk Project, Northern Sweden (2 sections)

Beowulf Gold PLC (2004): The Grundträsk Project, Skellefte Mining district, Northern Sweden.

Bergström, U., Antal Lundin, I., Winnes, K. & Weihed, P. (2003): Bedrock map 23J Norsjö NV, scale 1:50 000, Sveriges geologiska undersökning Ai 174

Invest in Sweden Agency (2003): Sweden in fact, 34 p.

Invest in Sweden Agency (2000): Exploration and Mining, 18 p.

Lahtinen, R., Nironen, M. & Korja, A. (2003): Palaeoproterozoic orogenic evolution of the Fennoscanidan Shield at 1.92 – 1.77 Ga with notes on the metallogeny of FeOx-Cu-Au, VMS and orogenic gold deposits. In: Mineral Exploration and Sustainable Development, Eliopoulos et al. (eds.); 1057-1060.

Liljequist, R. (2002): The Gallejaur structure, Excursion Guide; Georange and Ecominas, 62 p.

Lundmark, C. & Weihed, P. (2003) Vailijaur, an intrusion hosted, porphyry style, Palaeoproterozoic Cu-Au mineralisation at the Archaean-Proterozoic boundary in northern Sweden. In: Mineral Exploration and Sustainable Development,

Eliopoulos et al. (eds.); 1079 – 1082.

Mäki, T. & Weihed, P. (1997). Volcanic hosted massive sulphide and gold deposits in the Skellefte District, Sweden, and western Finland. Geol. Survey Finland, Guide 41, 81 p.

Martinsson, O. (2004): Geology and Metallogeny of the Northern Norrbotten Fe-Cu-Au Province. Society of Economic Geologists Guidebook Series, Volume 33, p. 131-148.

Ministry of Environment (1999): The Swedish Environmental Code. A résumé of the text of the Code and related Ordinances

SGU (1995): Minerals Act and Minerals Ordinance, Unofficial translation of "Minerallagen" SFS 1991:45 and "Mineralförordningen" SFS 1992:285 including changes up to November 1995

SGU (2002): Guide to Mineral Guide to Mineral Legislation and Regulations in Sweden

SNA (1994): National Atlas of Sweden - Geology (and web-sites)

Weihed, P. (2001): A Review of Palaeoproterozoic intrusive hosted Cu-Au-Fe-oxide deposits in northern Sweden. In

Weihed, P. (ed.): Economic Geology Research Vol. 1, 1999-2000. Uppsala 2001. Sveriges geologiska undersökning C 833, pp. 4-32.

Weihed, P. & Allen, R.L. (2004): Overview of Porphyry-Style Cu-Au and Mesothermal Gold Deposits in the Skellefte District. Society of Economic Geologists Guidebook Series, Volume 33, p. 51–55

Weihed, P. & Eilu, P. (2003): Gold, Fe oxide-Cu-Au and VMS metallogeny of the Fennoscandian Shield. In: Mineral Exploration and Sustainable Development, Eliopoulos et al. (eds.); 1123 – 1126.

Web-sites:

The Mines Inspectorate - http://www.bergsstaten.se/

The Swedish Geological Survey (SGU) Minerals Information Office http://www.sgu.se/verksamhet/mininfo_index_e.htm

Beowulf Mining plc - http://www.beowulfmining.com/

Documents pertaining to the Exploration Permits

Option Agreement made between Beowulf Gold PLC and Phelps Dodge Exploration Sweden AB, 2nd April 2004

First Amendment to Option Agreement, dated 28 June 2004

Data Access Agreement between "The Scanex group, Mirab Mineral Resources AB and Beowulf Gold plc", 14 November 2003.

Undersökningstillstånd (Exploration Permit) Grundträsk nr 1 dated 3 November 2003

Undersökningstillstånd (Exploration Permit) Grundträsk nr 2 dated 13 February 2004

Undersökningstillstånd (Exploration Permit) Grundträsk nr 3 dated 13 February 2004

Undersökningstillstånd (Exploration Permit) Majves nr 1 dated 3 April 2003 (issued to Firma Geoexperten)

Undersökningstillstånd (Exploration Permit) Majves nr 2 dated 6 June 2003 (first page missing)

Undersökningstillstånd (Exploration Permit) Kårvo nr 1 dated 3 April 2003 (issued to Firma Geoexperten)

Undersökningstillstånd (Exploration Permit) Tjäula nr 1 dated 3 April 2003 (issued to Firma Geoexperten)

Undersökningstillstånd (Exploration Permit) Ussalahti nr 1 dated 26th January 2005

Undersökningstillstånd (Exploration Permit) Ussalahti nr 2 dated 26th January 2005

Undersökningstillstånd (Exploration Permit) Ussalahti nr 3 dated 17th February 2005

Decision by Mines Inspectorate of 6 June 2003 confirming transfer to title of Majves 1, Tjäula1 and Kårvo 1 from Firma Geoexperten to Beowulf Gold PLC

GLOSSARY OF TERMS

Aeromagnetic — a survey of the Earth's magnetic field carried out from a helicopter or aeroplane.

Ag – chemical symbol for silver.

Airborne radiometrics – the measurement from an aircraft of radiation from radionucleides present at or near the Earth's surface.

Alkaline rocks – rocks with a relatively high proportion of sodium and potassium bearing minerals.

Amphibole – a group of silicate minerals containing iron and magnesium.

Amphibolite – Metamorphosed basic rock, typically black or dark green in colour, composed predominantly of amphibole minerals.

Andesite – an igneous rock with 52% to 66% silica.

Archaean - the oldest of the two divisions of the pre-Cambrian Era; older than 2,500 million years ago.

Argillite – a clay-rich sedimentary rock.

Au – chemical symbol for gold.

Base metal – a metal which has a value which is inferior to a precious metal. The group includes aluminium, copper, lead, nickel and zinc.

Bedrock – Rock that underlies superficial deposits such as till.

Bornite - copper sulphide mineral, Cu5FeS4. An important mineral of copper.

Breccia - rock consisting of angular fragments of one or various types of rock.

Caledonian – a major period of European regional orogenesis during the Lower Palaeozoic, about 430 million years ago.

Caledonides - rocks that have been affected by the Caledonian orogeny.

Carbonate Rocks – rocks consisting dominantly of calcium carbonate (calcite) or calcium-magnesium carbonate (dolomite).

Chalcopyrite - copper sulphide mineral, CuFeS2. An important mineral of copper.

Chlorite – a ferromagnesian mineral that can be indicative of hydrothermal alteration.

Chromite - chromium ore mineral, FeCr2O4.

Clastic - medium- to coarse-grained sedimentary rock.

Conglomerate – sedimentary rock formed by the cementing together of water-rounded pebbles.

Copper-gold porphyry – a crystallized rock, typically porphyritic, containing veins or disseminations of copper and/or gold bearing minerals.

Cu – a chemical symbol for copper.

Diamond drilling – a drilling method which obtains a cylindrical core of rock by cutting the rock with an annular bit set with diamonds.

Drumlin – an oval hill formed of till, with the long-axis oriented parallel to the direction of glacial ice movement.

 \mathbf{Esker} – an elongate, sinuous, ridge of sand and gravel deposited by streams flowing beneath a glacier, and left behind when the ice melted.

EM – refers to the electromagnetic geophysical method.

Fault – a fracture in the earth's crust along which there has been relative movement.

Fe – a chemical symbol for iron.

Fold – bends in stratified rocks formed as a result of deformation.

Ga - billion years.

Galena – lead sulphide mineral, PbS. The most important lead mineral.

Geochemistry – the study of the abundance of elements in rocks by chemical means.

Geophysics – the study of the physical characteristics of the earth.

Gneiss – metamorphic rock, often of granitic origin.

Gold placer - river derived material containing economic quantities of gold.

Graben - a block of rock that lies between two faults and has moved downward to form a depression between the two adjacent fault blocks.

Granite – a medium to coarse grained granular acid intrusive rock.

Granitoid – a field term for a coarse grained rock resembling granite.

Graphite – a naturally occurring form of carbon in metamorphic rocks.

Gravity data - geophysical data obtained from measurements of the earth's gravitational field.

Greenschist – low to moderate temperature metamorphic mineral assemblage which typically includes green minerals such as chlorite.

Greenstone - rock sequence dominated by greenschist.

Hematite - iron oxide mineral, Fe2O3.

Hydrothermal – mineralising process involving the movement of hot fluids through the rock Induced polarisation (IP)/ resistivity – an electrical geophysical exploration technique which measures the polarizability and resistivity of rocks below the surface.

Intrusive – a body of igneous rock that invades older rocks.

IOCG - iron-oxide - copper - gold style of mineralisation.

IP – Induced Polarization, a geophysical exploration method.

Komatiite – Ultramafic volcanic rock that commonly occurs in greenstones.

Lithology – rock-type.

Magnetics - a form of geophysical surveying by measuring the Earth's magnetic field.

Magnetite – a magnetic iron oxide, Fe3O4.

Marble – a metamorphosed limestone.

Metamorphic – rocks that have been subjected to heat and pressure at depth in the Earth's crust.

Metasediment - metamorphosed sediment.

Metasomatic - chemical changes of the primary rock due to metamorphic or mineralising processes.

Metavolcanic – a metamorphosed volcanic rock.

Mineralisation – the concentration of metals and their chemical compounds within a body of rock.

MMI - Mobile Metal Ion, a geochemical exploration technique.

Mn – chemical symbol for manganese.

Moraine – a topographic feature formed of glacial till.

Net Smelter Return – an interest in a mining property held by the vendor on the net revenue generated from the sale of metal produced by the mine.

Ophiolite – assemblage of basic and ultrabasic lavas and minor intrusions formed in a specific tectonic setting.

Orogenic lode-gold – a particular style of gold mineralisation.

Orogeny – the process of deformation of rocks.

Overburden – material such as soils and gravels deposited over bedrock, typically deposited by rivers, ice sheets or on the sea floor.

Palaeoproterozoic – early proterozoic.

Palaeozoic - epoch of Earth's history from 300 to 600 million years ago.

Pluton – a large body of igneous rock formed beneath the Earth's surface.

Podiform – in the shape of pods or lenses.

Porphyry – a rock with conspicuous crystals in a fine-grained groundmass.

Pre-Cambrian - referring to the period in Earth's history before 570 million years ago.

Precious metals – collective term for gold, silver and metals in the platinum group, also sometimes referred to as noble metals.

Prospective - said of an area with potential for ore discovery.

Proterozoic - the younger of the two divisions of the pre-Cambrian era; 570-2500 million years ago.

Pyrite – iron sulphide mineral, FeS2.

Pyrrhotite – an iron sulphide mineral, Fe 1-X S, often magnetic.

Quartz – a mineral composed of silicon dioxide, SiO 2.

Quartzite – a silica rich metamorphic rock formed from sandstone.

Reserves – in-situ body of rock containing proved and probable ore reserves.

Resources – in-situ body of rock containing measured, indicated or inferred mineral resources.

Rift – down-faulted area formed by the dropping of a block of the Earth's crust between two (or more) linear faults.

Royalty – share of value of mineral produced from an exploitation concession.

Schist – a metamorphic rock with a platy or foliated texture.

Sedimentary – a rock formed by compaction and cementation of sediments.

Sediments – solid material such as mud, silt, sand and gravel, both mineral and organic, deposited on the Earth's surface above or below sea-level.

Sericite – a clay mineral indicative of hydrothermal alteration.

Serpentinite – rock formed by alteration of primary ultrabasic rock to dominantly serpentine minerals.

Shear zone – plane of failure in faulted body of rock.

Silica – silicon dioxide, of which the mineral quartz is one form.

Silicification – the process whereby original rock minerals are chemically replaced by various forms of silica which generally harden the rock.

Skarn – altered rock resulting from the hydrothermal interaction of hot silicate magmas and cooler lime bearing sedimentary rocks; sulphide deposits can be associated with such rocks.

Sphalerite – zinc sulphide mineral, ZnS. The most important source of zinc.

Stockwork – a large-scale ramifying series of fissures filled with mineralised material.

Stratabound – occurring within a particular strata or layer.

Stratigraphic – pertaining to the inter-relationship of rocks in space or time.

Structure - a geological feature resulting from deformation, typically referring to a fold, fault, vein or fracture.

Sulphide – a metallic compound of sulphur.

Syn-orogenic – occurs during deformation of rocks.

Tectonic – the forces involved in, or resulting features of, tectonics: the broad architecture of the outer part of the earth.

Till – a poorly sorted mixture of clay, silt, sand, gravel and boulders eposited as a result of glaciation.

Tuff – a fine-grained fragmental rock formed from deposits of volcanic detritus.

Ultramafics – igneous rocks of mantle origin with low silica contents.

Vein – a mineral-filled fracture or fault in a rock.

Volcanic - said of a rock deposited on the earth's surface as a result of volcanic activity.

Zn – chemical symbol for zinc.

PART 5

STATUTORY AND GENERAL INFORMATION

1. The Company

- 1.1 The Company was incorporated in England under the Companies Act 1985 as a private company limited by shares on 21 December 1988 under the name of Luxmit Limited, with registered number 2330496. On 2 March 1989 the Company changed its name to Britcan Minerals Limited. On 18 May 1989 the Company was re-registered as a public limited company. On 7 April 2000 the Company changed its name to e.Ruby PLC. On 2 April 2001 the Company changed its name to Alamos PLC. On 21 January 2003 the Company changed its name to Beowulf Gold PLC and on 31 March 2005 the Company changed its name to Beowulf Mining plc. The liability of its members is limited.
- 1.2 The Company's registered office is at 1 Green Hill, Little Thetford, Ely, Cambridgeshire CB6 3HD.

2. Share Capital

- 2.1 On incorporation, the authorised share capital of the Company was £1,000 divided into 1,000 ordinary shares of £1 each of which 2 were issued to the subscribers of the Company's Memorandum of Association.
- 2.2 By 2 March 2000, when Dr Young was appointed as a director of the Company, the authorised share capital of the Company was £200,000 divided into 20,000,000 Ordinary Shares of 1p each of which 7,178,970 Ordinary Shares were in issue, credited as fully paid.
- 2.3 Since 2 March 2000, there have been the following changes in the Company's authorised share capital:
 - 2.3.1 on 28 February 2003, a resolution of the Company was passed to increase the Company's authorised share capital from £200,000 to £1,000,000 by the creation of 80,000,000 Ordinary Shares; and
 - 2.3.2 on 31 March 2005, a resolution of the Company was passed to increase the Company's authorised share capital from £1,000,000 to £2,000,000 by the creation of 100,000,000 Ordinary Shares.
- 2.4 Since 2 March 2000, there have been the following changes in the Company's issued share capital:
 - 2.4.1 on 17 February 2003, 2,000,000 Ordinary Shares were allotted, credited as fully paid up at par by way of a capitalisation of loans made to the Company;
 - 2.4.2 on 2 May 2003, 25,325,000 Ordinary Shares were allotted for cash at par;
 - 2.4.3 on 11 August 2003, 250,000 Ordinary Shares were allotted for cash at a premium of 1p per share;
 - 2.4.4 on 12 August 2003, 250,000 Ordinary Shares were allotted for cash at a premium of 1.5p per share;
 - 2.4.5 on 17 September 2003, 500,000 Ordinary Shares were allotted for cash at a premium of 4p per share;
 - 2.4.6 on 6 January 2004, options to subscribe for 100,000 Ordinary Shares were exercised at a subscription price of 1p per share;
 - 2.4.7 on 15 March 2004, 1,000,000 Ordinary Shares were allotted for cash at a premium of 4p per share;
 - 2.4.8 on 23 September 2004, 1,555,555 Ordinary Shares were allotted for cash at a premium of 3.5p per share;
 - 2.4.9 on 1 October 2004, 400,000 Ordinary Shares were allotted for cash at a premium of 3.5p per share;
 - 2.4.10 on 20 December 2004, 3,530,000 Ordinary Shares were allotted for cash at a premium of 3.5p per share;
 - 2.4.11 on 8 February 2005, warrants to subscribe for 312,000 Ordinary Shares were exercised at a subscription price of 5.5p per share;
 - 2.4.12 on 18 February 2005, warrants to subscribe for 110,000 Ordinary Shares were exercised at a subscription price of 5.5p per share;
 - 2.4.13 on 22 February 2005, 2,000,000 Ordinary Shares were allotted for cash at a premium of 4.5p per share;

- 2.4.14 on 22 February 2005, warrants to subscribe for 92,000 Ordinary Shares were exercised at a subscription price of 5.5p per share;
- 2.4.15 on 2 March 2005, warrants to subscribe for 25,000 Ordinary Shares were exercised at a subscription price of 5.5p per share;
- 2.4.16 on 6 April 2005, 11,111,111 Ordinary Shares were allotted for cash at a premium of 3.5p per share;
- 2.4.17 on 8 April 2005, warrants to subscribe for 62,500 Ordinary Shares were exercised at a subscription price of 5.5p per share;
- 2.4.18 on 14 April 2005, options to subscribe for 100,000 Ordinary Shares were exercised at a subscription price of 1p per share; and
- 2.4.19 on 21 April 2005, options to subscribe for 121,111 Ordinary Shares were exercised at a subscription price of 5.5p per share.
- 2.5 At the date of this document, the authorised and issued share capital of the Company is as follows:

	Authorised		Issued	Issued (fully paid)	
	Number	£	Number	£	
Ordinary shares of 1p each	200,000,000	2,000,000	56,023,247	560,232.47	

- 2.6 The Company has granted 29,830,554 options/warrants to subscribe for new Ordinary Shares (of which 28,907,943 remain outstanding) as follows:
 - 2.6.1 7,200,000 options were granted on 2 March 2000 in consideration for services to the Company by the option holders. The option period was extended on 17 February 2003 and these options can now be exercised at a price of 1 pence per share up to and including 31 March 2008.
 - 2.6.2 7,000,000 options were granted on 2 May 2003 in consideration for services to the Company by the option holders. These options can be exercised at a price of 1 pence per share up to and including 31 March 2008. At the date of this document 200,000 of these options have been exercised.
 - 2.6.3 100,000 options were granted on 25 November 2003 in consideration for services to the Company by the option holder. These options can be exercised at a price of 7.5 pence per share for two years from their date of grant.
 - 2.6.4 250,000 options were granted on 21 June 2004 in consideration for services to the Company. These options can be exercised at a price of 5.5 pence per share for two years from the date of grant.
 - 2.6.5 1,555,555 warrants were granted on 23 September 2004 in connection with a subscription for shares in the capital of the Company. These warrants can be exercised at a price of 5.5 pence per share up to and including 24 September 2005. At the date of this document 510,111 of these warrants have been exercised.
 - 2.6.6 400,000 warrants were granted on 1 October 2004 in connection with a subscription for shares in the capital of the Company. These warrants can be exercised at a price of 5.5 pence per share up to and including 1 October 2005. At the date of this document 200,000 of these warrants have been exercised.
 - 2.6.7 100,000 warrants were granted on 1 October 2004 in consideration for services to the Company. These options can be exercised at a price of 5.5 pence per share up to and including 1 October 2006.
 - 2.6.8 1,765,000 warrants were granted on 23 December 2004 in connection with a subscription for shares in the capital of the Company. These warrants can be exercised at a price of 5.5 pence per share up to and including 14 December 2005. At the date of this document 12,500 of these warrants have been exercised.
 - 2.6.9 160,000 warrants were granted on 23 December 2004 in consideration for services provided to the Company. These warrants can be exercised at a price of 5.5 pence per share up to and including 14 December 2006.

- 2.6.10 188,888 warrants were granted on 23 December 2004 in consideration for services to the Company. These options can be exercised at a price of 5.5 pence per share up to and including 14 December 2006.
- 2.6.11 11,111,111 warrants were granted on 6 April 2005 in connection with a subscription for shares in the capital of the Company. These warrants can be exercised at a price of 5.5 pence per share for two years from their date of grant.

In addition to the above, the Company has agreed to grant options to each of Ruegg & Co and Phillip Securities as summarised in paragraphs 10.1 and 10.4 respectively below. None of the above options/warrants have received approval from the board of the Inland Revenue.

- 2.7 At the Annual General Meeting of the Company on 31 March 2005 resolutions of the Company were passed whereby:
 - 2.7.1 the authorised share capital of the Company was increased from £1,000,000 to £2,000,000 by the creation of 100,000,000 ordinary shares of £0.01 each ranking pari passu in all respects with the existing shares in the capital of the Company;
 - 2.7.2 the Directors were unconditionally authorised pursuant to section 80 of the Act 1985 to allot relevant securities (as defined in the Act) up to the amount of the authorised share capital of the Company (as increased pursuant to the resolution referred to at paragraph 2.7.1 above) at any time or times during the period of five years from 31 March 2005 and at any time thereafter pursuant to any offer or agreement made by the Company before the expiry of such authority;
 - 2.7.3 pursuant to the Directors' authority to allot shares under section 80 of the Act (granted by the resolution referred to at paragraph 2.7.2 above) the Directors of the Company were empowered to allot equity securities (as defined for the purpose of section 95 of the Act) for cash as if section 89(1) of the Act did not apply to any such allotment provided that this power be limited to the allotment of equity securities having:
 - (a) in the case of relevant shares (as defined for the purposes of section 95 of the Act) a nominal amount; or
 - (b) in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount,

not exceeding £480,000 in aggregate. This power expires at the conclusion of the next annual general meeting of the Company after the passing of this resolution (save that the Company may before such expiry make an offer or agreement which would or might require securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired).

2.8 The Company's Articles contain no provisions as to rights of pre-emption on either the transfer, issue or allotment of shares. The provisions of section 89 of the Act confer on shareholders rights of pre-emption in respect of the allotment of equity securities (within the meaning of section 94(2) of the Act) which are, or are to be, paid up in cash (other than by way of allotment to employees under an employees' share scheme, as defined in section 743 of the Act) and will apply to the whole of the authorised but unissued share capital of the Company except to the extent disapplied by the resolution referred to in paragraph 2.7.3 above.

3. **Directors**

3.1 Interests in Ordinary Shares

The interests of the Directors, their families and persons connected with such Directors (within the meaning of section 345 of the Act), in the share capital of the Company as at 25 April 2005 (being the latest practicable date prior to the publication of this document) are as follows:

	Ordinary Shares		Warrants/options to acquire Ordinary Shares		
		Percentage of			
	Number	issued share	Number	Exercise	Exercise
	held	capital	held	price	date
Directors:					
R D Young*	6,589,485	11.76%	5,100,000	1p	31-03-2008
J-O Larsson	50,000	0.09%	2,000,000	1p	31-03-2008
E Taylor	_	0%	250,000	1p	31-03-2008
A C R Scutt**	475,000	0.85%	250,000	5.5p	31-06-2006

Notes:

Of the shares in which Robert Young is interested, 2,294,742 are beneficially owned by his wife, Judith Young.

** Of the shares in which Anthony Scutt is interested, 100,000 are beneficially owned by his wife, Phung Scutt and 375,000 are beneficially owned by share/investment clubs of which he is a member.

3.2 Save as disclosed above in the Notes, the interests of the Directors and their respective families and persons connected with them set out in paragraph 3.1 are all beneficially held.

3.3 Directorships

The Directors currently hold the following directorships and have held the following directorships within the five years prior to the publication of this document:

Robert Douglas Young	
Current	Past
Agricola Resources plc Beowulf Mining plc Estelar Resources plc Lisungwe plc	Angus & Ross plc Heritage Petroleum plc Orvana (Sweden) AB Hornby Bay Explorations (Canada) Ltd. Nufort Resources Inc
Jan-Ola Larsson	
Current	Past
Agricola Resources plc	NS Diamonds AB
Beowulf Mining plc	—
Edward Taylor	
Current	Past
Beowulf Mining plc	_
Ed Taylor Consulting Limited	
Anthony Charles Raby Scott	
Current	Past
Agricola Resources plc	
Beowult Mining plc	_
Survest pre	
Receiverships and liquidations	

3.4 Receiverships and liquidations

No Director has:

- 3.4.1 any unspent convictions relating to indictable offences;
- 3.4.2 been disqualified from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- 3.4.3 had a bankruptcy order made against him or entered into an individual voluntary arrangement;

- 3.4.4 been publicly criticised by any statutory or regulatory authority including any recognised professional body;
- 3.4.5 been a director of a company which has been placed into receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- 3.4.6 been a partner in a partnership which has been placed into any compulsory liquidation, administration, partnership, or voluntary arrangement whilst he was a partner of that partnership or within the 12 months after he ceased to be a partner of that partnership; or
- 3.4.7 had his assets the subject of any receivership or has been the partner of a partnership at the time of, or within the 12 months preceding, any assets thereof being the subject of a receivership.
- 3.5 Directors' consultancy agreements and letters of appointment
 - 3.5.1 Pursuant to an agreement dated 28 April 2005, Robert Young was appointed executive Chairman with an annual salary of £40,000 payable monthly in arrears. The appointment can be terminated by six month's written notice by either party. Dr Young is required to devote a minimum of 37.5 hours per week to carry out the functions of executive Chairman.
 - 3.5.2 Pursuant to a letter of appointment dated 28 April 2005, Anthony Scutt agreed to act as a non-executive director of the Company for an annual fee of £13,000. The appointment is subject to termination on three month's written notice by either party.
 - 3.5.3 Pursuant to a letter of appointment dated 28 April 2005, Edward Taylor agreed to act as a nonexecutive director of the Company. No fee is payable to Mr Taylor in respect of this appointment. The appointment is subject to termination on three month's written notice by either party.

Save as set out in this paragraph 3.5 and in paragraph 10 (Material contracts) there are no existing or proposed agreements between the Directors and the Company.

3.6 *Estimate of remuneration*

During the year ended 31 December 2004 a total of £38,499 was paid to the directors as remuneration and benefits in kind. In addition to this amount, £5,200 was paid to Ed Taylor Consulting Limited (a company connected with Edward Taylor within the meaning of section 345 of the Act), consultancy fees of £30,000 were paid to Jan-Ola Larsson and exploration fees of £46,968 were paid to Firma Geoexperten J-O Larsson, a business owned by Jan-Ola Larsson. The amounts payable to the Directors by the Company under the arrangements in place at the date of this document in respect of the year ending 31 December 2005 are estimated to be £[53,000]. In addition to this sum, the amounts payable to Ed Taylor Consulting Limited, Jan-Ola Larsson and to Firma Geoexperten J-O Larsson under the arrangements in place at the date of this document in respect of the year ending 31 December 2005 are estimated to be £10,200, £40,000 and £50,000 respectively.

3.7 Loans

No loan has been made by the Company to any Director and no guarantee has been provided by the Company in respect of any liabilities or otherwise for the benefit of any Director.

4. Substantial shareholders

Other than the holdings of the Directors, which are set out in paragraph 3.1 of this Part 5, the Directors are aware of the following who, as at 25 April 2005 (being the latest practicable date prior to the publication of this document), were interested, directly or indirectly, in 3% or more of the Company's capital:

	Ordinary Shares		Warrants/optic	Warrants/options to acquire Ordinary Shares		
		Percentage of				
	Number	issued share	Number	Exercise	Exercise	
	held	capital	held	price	date	
Credit Suisse First						
Boston Client						
Nominees Ltd						
06MSPB Act	11,111,111	19.83%	11,111,111	5.5p	06-04-2007	
Sunvest Corporation						
Limited	10,000,000	17.85%	_	_	_	
C Rowan	6,089,485	10.87%	6,000,000	1p	31-03-2008	
E Trade UK Nominees						
Limited	2,210,000	3.94%	_	_	_	
Starvest plc	2,000,000	3.57%	_	_	_	

Sunvest Corporation Limited, Mrs Rowan and Starvest plc, together with Mr Bruce Rowan (who holds 500,000 Ordinary Shares), together constitute a 'concert party' holding 33.18% of the Company's issued share capital for the purposes of Rule 9 of the City Code on Takeovers and Mergers. Accordingly, for so long as their combined shareholding exceeds 30%, Mrs Rowan will be unable to exercise any of the options held by her without triggering an obligation to make an offer for the balance of the Company's share capital.

5. Memorandum of Association

The Memorandum of Association of the Company provides that the Company's principal objects are, inter alia, to take on lease or underlease, or otherwise acquire and take over, occupy, explore, develop, work, excavate, operate, maintain, improve, manage and otherwise deal with and generally turn to account mining grounds and metalliferous lands, and quarries, pits, works and manufactories, and any mineral rights, mining grants, concessions, leases, licences, rights and easements, and generally any land and hereditaments of any tenure, or any other real or personal property necessary or convenient for the Company's objects. The objects of the Company are set out in full in Clause 4 of the Memorandum of Association.

6. Articles of Association

The Articles of Association of the Company (the "Articles") include provisions to the following effect:

6.1 Voting Rights

At general meetings of the Company, on a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative who is not himself a member entitled to vote, shall have one vote and on a poll every member present in person or by proxy or (being a corporation) by duly authorised representative shall have one vote for every share held by him.

No member shall, unless the Directors otherwise determine, be entitled to vote if any call or other sum is presently payable by him/her to the Company in respect of their shares remains unpaid.

No member shall, unless the Board otherwise determines, be entitled to vote in respect of any share held by them if they have been served with a notice under Section 212 of the Act in respect of that share and have failed to provide the information requested in the notice within 14 days of service.

6.2 Variation of Rights

Subject to the provisions of the Act, if the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied, either whilst the Company is a going concern or during or in contemplation of a winding-up either (a) in such manner as may be provided by such rights or (b) in the absence of any such provision with the written consent of the holders of three quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of shares of that class.

Any meeting for the purposes referred to above should be convened and conducted in all respects as nearly as possible in the same way as an extraordinary general meeting. Votes shall only be given in respect of shares of that class and at any such meeting other than an adjourned meeting the quorum shall be two persons holding or representing by proxy at least one-third of the issued shares of the class.

6.3 Transfer of Shares

Any member may transfer all or any of his shares. Save where any rules or regulations made under the Act permit otherwise, the instrument of transfer of a share shall be in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and (in the case of a share which is not fully paid) by the transferee. The Board may in its absolute discretion and without giving any reason decline to register any transfer or shares that are not fully paid or on which the Company has a lien. The provisions of the Articles of Association apply equally to uncertificated shares transferred under CREST as they do to certificated shares of the Company.

The Board may decline to register any instrument of transfer unless the duly stamped instrument of transfer:

- 6.3.1 is lodged at the registered office or such other place as the Board may appoint;
- 6.3.2 is accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- 6.3.3 is in respect of only one class of share; and

6.3.4 in the case of a transfer to joint holders, the number of joint holders does not exceed four.

6.4 Return of capital on a winding up

On a winding up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and/or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator determines.

6.5 Pre-emption

Subject to the provisions of the Act and without prejudice to any rights attached to existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, if the Company has not so determined, as the directors may determine. Subject to the Act, any share may be issued which is, or is liable to be, redeemed at the option of the Company or the holder in accordance with the Articles. Subject to the Act and to the Articles, the unissued shares shall be at the disposal of the Board which may allot, offer, grant options over or otherwise dispose of them to such persons and on such terms as it thinks fit.

6.6 Alteration of Share Capital

- 6.6.1 The Company may from time to time by ordinary resolution (a) increase its capital as the resolution shall prescribe; (b) consolidate and divide all or any of its shares into shares of larger amount; (c) sub-divide all or any of its shares into shares of smaller amount; (d) attach varying rights to the shares resulting from such sub-division; and (e) cancel any shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 6.6.2 The Company may by special resolution reduce its share capital, any capital redemption reserve fund and any share premium account subject to the provisions of the Act.

6.7 *Redemption*

Subject to the provisions of the Act, the Company may purchase its own shares (including redeemable shares).

6.8 Borrowing Powers

The Board may exercise all powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

6.9 Dividends and other distributions

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. The Board may pay interim dividends if it appears that they are justified by the financial position of the Company.

All dividends shall be apportioned and paid pro-rata to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend unclaimed after a period of twelve years from the date on which it became due for payment shall be forfeited and shall revert to the Company.

The Board may, if authorised by an ordinary resolution of the Company, offer members the right to elect to receive shares credited as fully paid instead of cash, in respect of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

6.10 Directors

- 6.10.1 At every annual general meeting of the Company as near as possible (but not exceeding) one third of the Directors for the time being shall retire by rotation and be eligible for re-election. The Directors to retire will be those who have been longest in office or, in the case of those who became or who are re-elected Directors on the same day, shall, unless they otherwise agree, be determined by lot.
- 6.10.2 Any director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or any other arrangement or proposed arrangement with the Company shall declare the nature and extent of his interests.
- 6.10.3 The ordinary remuneration of directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £150,000 per annum or such other amount as the Company may from time to time by ordinary resolution determine. Subject thereto, such remuneration (which shall be deemed to accrue from day to day) shall be divided between the Directors as they shall determine or, failing such determination, equally. The directors shall be entitled to all such expenses as they may properly incur in attending meetings of the Board or in the discharge of their duties as directors. Any director who by request of the Board performs special services may be paid such extra remuneration (whether by way of fixed sum, bonus, commission, participation in profits or otherwise) as the Board may determine.
- 6.10.4 Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be subject to any maximum but shall not be less then two. A Director shall not be required to hold any shares of the Company by way of qualification.

6.11 Overseas Members

A member who (having no registered address within the UK) has not supplied to the Company an address for the service of notice shall not be entitled to receive notices from the Company.

6.12 CREST

The Articles are consistent with CREST membership and, inter alia, allow for the holdings and transfer of securities of the Company in uncertificated form. The Ordinary Shares were accepted into CREST with effect from their admission to Ofex in June 2003.

7. Working capital

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company will from Admission be sufficient for its present requirements, that is for at least eighteen months from the date of Admission.

8. Litigation

There are no legal or arbitration proceedings active, pending or threatened against, or being brought by the Company which are having or may have a significant effect on the financial position of the Company.

9. Taxation

The following paragraphs include advice received by the Directors on the current tax position of shareholders who are resident or ordinarily resident in the UK for tax purposes and holding Ordinary Shares beneficially as investments. The statements below are intended only as a general guide and do not constitute advice to any shareholder on his personal tax position and may not apply to certain classes of investor who may be subject to special rules (such as dealers in securities, insurance companies, charities, collective investments schemes or pension providers). The comments are based on current legislation and UK Inland Revenue practice. Any investor who is in doubt as to his tax position, or who is subject to taxation in a jurisdiction other than the UK, should consult his or her own professional adviser.

9.1 Taxation of dividends

The Company will not be required to withhold tax at source when paying a dividend.

An individual shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company will generally be entitled to a tax credit which he may set off against his total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the "gross dividend"), which is also equal to one-ninth of the cash dividend received. A UK resident individual shareholder who is liable to income tax at the starting or basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full any such shareholder's liability to income tax on the dividend. A UK resident individual shareholder who is liable to tax on the gross dividend at the rate of 32.5 per cent. After taking into account the 10 per cent. tax credit, such an individual will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received).

UK resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the tax credit attaching to dividends paid by the Company.

Subject to certain exemptions, a shareholder which is a company resident for tax purposes in the UK and which receives a dividend paid by another company resident for tax purposes in the UK will not generally have to pay corporation tax in respect of it. Such shareholders will not be able to claim repayment of tax credits attaching to dividends.

Persons who are not resident in the UK should consult their own tax advisers concerning their tax liabilities on dividends received from the Company and on whether they can benefit from all or part of any tax credit in the jurisdiction in which they are resident.

9.2 Taxation of chargeable gains

If a shareholder disposes of all or any of his Ordinary Shares in the Company he may incur a liability to tax on chargeable gains depending upon the shareholder's particular circumstances. Individuals, personal representatives and trustees may be entitled to taper relief which will serve to reduce the chargeable gain. Companies are not entitled to taper relief but are due indexation allowance which may also reduce the chargeable gain.

9.3 Stamp duty and stamp duty reserve tax

Generally no stamp duty or stamp duty reserve tax ("SDRT") will be payable on the issue of Ordinary Shares in the Company. Any subsequent transfer or sale of Ordinary Shares will generally give rise to a liability on the purchaser to ad valorem stamp duty currently at a rate equivalent to £5 for every £1,000 (or part thereof) of the consideration paid. A conditional agreement to transfer Ordinary Shares will be subject to SDRT at the rate of 0.5%. of the consideration paid. However, when an instrument of transfer is executed and duly stamped before the expiry of a period of six years beginning with the date of any such agreement, a claim can normally be made to cancel or obtain payment of the SDRT liability. Special rules apply to agreements made by market makers in the ordinary course of their business, broker-dealers and certain other persons.

10. Material contracts

The following contracts have been entered into by the Company which may be material:

10.1 Under an agreement dated 26 January 2005 between the Company and Ruegg & Co, the Company engaged the services of Ruegg & Co in connection with, inter alia, advising on the application for Admission, any related placing of the Company's Ordinary Shares and assisting in the preparation of this document. In consideration for these services, the following sums are payable by the Company:
- 10.1.1 an initial fee of £20,000 plus VAT and any disbursements;
- 10.1.2 a fee of £15,000 plus VAT and any disbursements, payable immediately following Admission;
- 10.1.3 to the extent that any monies are raised for the Company through investors introduced by Ruegg & Co, a commission equal to any commission payable to the Company's broker in connection with the Admission and any related placing of the Company's Ordinary Shares; and
- 10.1.4 an option to subscribe for £30,000 worth of Ordinary Shares in the Company, exercisable at 5.5p per Ordinary Share at Admission, for a period of five years from Admission.

The engagement letter also contains indemnities from the Company to Ruegg & Co. In the 12 months prior to Admission, fees and commissions on fundraisings which total £53,344 were paid to Ruegg & Co under an agreement for the appointment of a corporate advisor dated 13 August 2004 and made between Ruegg & Co and the Company.

- 10.2 By a nominated adviser agreement dated 28 April 2005 between the Company, the Directors and Ruegg & Co, the Company appointed Ruegg & Co as its nominated adviser for the purposes of the AIM Rules for a minimum period of 24 months and subject thereafter to either party giving six months' written notice to the other. Ruegg & Co may nevertheless terminate its appointment as nominated adviser at any time if the Company or the Directors are in breach of their obligations under the nominated adviser agreement, the AIM Rules or the Company's code for dealing in the securities of the Company. Pursuant to this agreement, a fee of £18,000 per annum plus VAT and disbursements is payable quarterly in advance by the Company, with the first payment being due on Admission. The nominated adviser agreement contains indemnities from the Company to Ruegg & Co and warranties which have been given to Ruegg & Co by the Directors of the Company.
- 10.3 By a corporate broker appointment agreement dated 31 January 2005 between the Company and Phillip Securities, the Company appointed Phillip Securities as its agent to liase with the market to find buyers and sellers of the Ordinary Shares, subject to the rules and regulations of the London Stock Exchange. Pursuant to this agreement, the Company has agreed to pay in respect of these services:
 - 10.3.1 an initial fee of £5,000 (together with VAT if applicable) in respect of the Admission; and
 - 10.3.2 a broking fee of £12,000 per year (plus VAT if applicable), payable quarterly in advance from Admission, in respect of these services.

This agreement may be terminated by either party giving the other six months notice to expire no earlier than 31 January 2006. If either party is in breach of the agreement, it may be terminated by the other party forthwith by notice in writing.

- 10.4 By a broker agreement dated 28 April 2005 between the Company and Phillip Securities. Phillip was appointed as agent of the Company to use its reasonable endeavours to procure subscribers for future placings of Ordinary Shares. Under the agreement the Company has agreed to grant Phillip an option to subscribe for £20,000 worth of Ordinary Shares in the Company, exercisable at 5.5p per Ordinary Shares at Admission, for a period of five years from Admission. The Company has also agreed to pay Phillip a commission of 6% of the aggregate capital raised by any placing of Ordinary Shares by Phillip, together with expenses incurred by Phillip in connection therewith.
- 10.5 The Directors, C Rowan, Sunvest Corporation Limited and B Rowan have undertaken (in accordance with Rule 7 of the AIM Rules) to the Company, Ruegg & Co and Phillip Securities not to dispose of any interest in the securities held by them for a period of one year from Admission. Further, the Directors have also undertaken not to dispose of any interest in the securities held by them during the second year following Admission without first consulting with the Company's nominated advisers and brokers.
- 10.6 By an agreement dated 28 April 2005 between the Company, Geoexperten J-O Larsson ("Geoexperten") and Jan-Ola Larsson, Geoexperten has agreed to provide the services of Dr Larsson as an executive director of the Company relating to, but not limited to matters assigned to the Company's exploration program for gold and granted claim areas in Sweden. Pursuant to this agreement, an annual fee of £40,000 is payable monthly in arrears by the Company to Geoexperten. The agreement is subject to termination on three month's written notice by either party.
- 10.7 By an option agreement between the Company and Phelps Dodge Exploration Sweden AB ("Phelps Dodge") dated 2 April 2004 and as amended by a further agreement between the parties on 28 June 2004,

the Company has granted Phelps Dodge the right to earn up to 80% ownership of any development projects on any of the Majves 1, Majves 2, Kårvo 1 and Tjäula 1 licence areas by funding all exploration costs, including the cost of a full (bankable) feasibility study on any deposit found. Following a decision to proceed to development, Beowulf will have to fund its share of the development costs in order to retain its 20% interest, or revert to a 1.5% net smelter return. Phelps Dodge is currently incurring expenditure on the licence areas, but as at 25 April 2005 (being the latest practicable date prior to the publication of this document) had not formally elected to earn the first portion of its potential 80% interest.

- 10.8 By an agreement between The Scanex Group ("Scanex"), Mirab Mineral Resources AB ("Mirab") and the Company dated 14 November 2003, the Company was granted exclusive access to Scanex and Mirab's proprietary exploration data relating to the Grundtrask area of northern Sweden (including areas falling within the Grundträsk 1, Grundträsk 2 amd Grundträsk 3 licence areas) for a period of 15 years from the date of the agreement. In consideration for such access, the Company has paid a total of US\$7,000 to Scanex and has agreed to pay a 1% net smelter revenue royalty on any metal or mineral production from the area covered by the data.
- 10.9 By an agreement between the Company and Agricola dated 26 February 2004, the Company granted Agricola an option to acquire the exclusive right to explore for base, precious and platinum group metals on Unst, Shetland Islands in consideration for the allotment to the Company of 7,500,000 ordinary shares of 1p each in the capital of Agricola and royalty of US\$1 for each ounce of platinum produced from the exploration area by Agricola and subsequently sold. This option was exercised by Agricola on 22 March 2004.
- 10.10The Company has been granted exclusive exploration licences (all in northern Sweden) by the Mining Inspectorate of Sweden (Bergsstaten) as follows:

Claim Name	Size(km ²)	Date Granted	Valid Until
Grundträsk 1	20.63	03-11-2003	03-11-2006
Grundträsk 2	15.75	13-02-2004	13-02-2007
Grundträsk 3	6.38	13-02-2004	13-02-2007
Majves 1	38.00	03-04-2003	03-04-2006
Majves 2	6.50	06-06-2003	06-06-2006
Kårvo 1	15.50	03-04-2003	03-04-2006
Tjäula 1	22.00	03-04-2003	03-04-2006
Ussalahti 1	4.60	26-01-2005	26-01-2008
Ussalahti 2	2.63	26-01-2005	26-01-2008
Ussalahti 3	2.00	17-02-2005	17-02-2008

Each licence is valid for an initial three year period and can be extended up to a total of 15 years if special conditions are met. Fees of SEK 15 per hectare per year are currently payable by the Company in respect of each of these licences. If licences are extended beyond the initial 3 year period, the fees in years 4 to 6 increase to SEK 21 per hectare per year, to SEK 50 in years 7-10 and to SEK 100 per hectare per year in years 11-15. An exploration licence can be transferred with the consent of the Mining Inspectorate.

Licence holders are required to inform the relevant Municipality and affected landowners before exploration works commence. In areas of reindeer herding the relevant Sami community must also be informed. No additional permits are required for drilling or trenching, although all works must be undertaken in conformity to the 1998 Environmental Code. A relinquishment report summarising the work undertaken must be submitted to the Mines Inspectorate if the exploration permit is surrendered or not extended.

If the Company finds and defines commercially exploitable deposits within its licence areas it may apply for an exploitation concession. This is valid for valid for 25 years and can be extended by a further ten years at a time. The permitting processes include a legal proceeding and a public meeting pertaining to the Designation of Land for the proposed mining operation. An environmental impact assessment according to the 1998 Environmental Code must be submitted, and is evaluated in a separate legal proceeding in the Environmental Court. The Court also stipulates the conditions that must be observed by any mining and processing activity. Applications are considered in consultation with the County Administrative Board, taking into account whether the site is acceptable from an environmental point of view.

11. General

11.1 Save as disclosed in this document, no significant changes in trading or the financial position of the Company have occurred since 31 December 2004, being the date to which the financial information contained in the Accountant's Report in Part 3 have been prepared.

- 11.2 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has (a) received, directly or indirectly from the Company within the 12 months preceding the date of this document; or (b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of:
 - 11.2.1 fees totalling £10,000 or more;
 - 11.2.2 securities in the Company with a value of £10,000 or more; or
 - 11.2.3 any other benefit with a value of $\pounds 10,000$ or more.
- 11.3 The expenses of Admission are estimated to be £100,000 (excluding VAT).
- 11.4 The financial information contained in this document concerning the Company does not constitute statutory individual accounts within the meaning of Section 240(5) of the Act.
- 11.5 The Company has no investments save for 7,500,000 shares in Agricola Resources plc, a public limited company whose shares are traded on Ofex.
- 11.6 The accounting reference date of the Company is 31 December.

12. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of Hewitsons at Shakespeare House, 42 Newmarket Road, Cambridge CB5 8EP during usual business hours on any weekday (except for public holidays) for a period of 14 days from the date of this document:

- 12.1 the Memorandum and Articles of Association of the Company;
- 12.2 the Competent Person's Report set out in Part 4 of this document;
- 12.3 the Accountant's Report set out in Part 3 of this document;
- 12.4 the Directors' service and other agreements referred to in paragraphs 3.5 and 10.6 of this Part 5; and
- 12.5 this document.

13. Consents

- 13.1 Price Bailey LLP has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its letter and report set out in Part 3 and the references to that letter and report and to its name in the form and context in which such references are included.
- 13.2 Independent Engineers (Australia) Pty Ltd has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its letter and report set out in Part 4 and the references to that letter and report and to its name in the form and context in which such references are included.
- 13.3 Hewitsons has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which such references are included.
- 13.4 Ruegg & Co Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which such references are included.
- 13.5 Phillip Securities has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which such references are included.

14. Availability of this document

Copies of this document will be available during normal business hours on any weekday (except for public holidays) free of charge from the offices of Ruegg & Co Limited at 39 Cheval Place, Knightsbridge, London SW7 1EW from the date of this document until the date which is one month following Admission.

29 April 2005