

**PRESS RELEASE 17th March 2010**

**Kallak Drilling Contract**

**Highlights:**

- 3,500 metres of diamond drilling planned over 35 holes at Kallak
- Drilling to commence in April 2010 with the first assay results anticipated by the end of Q2 2010
- Historic work by the SGU indicates an estimated mineral resource of approximately 120 million tonnes of iron ore with grades varying between 35-42% of iron
- JORC classification to be sought following completion of the drilling programme
- Letter of Intent signed for future drilling at the Company's Ruotevare iron ore project

Beowulf (AIM: BEM; AktieTorget: BEO), the AIM and AktieTorget traded mineral exploration company which owns several exploration projects in Sweden, is pleased to announce that it has signed a drilling contract with Ludvika Borrteknik AB ("Ludvika"), one of Sweden's leading drilling companies. The planned 3,500 metre drilling programme on the Company's Kallak iron ore project is to commence in April 2010 and will expand the known data on the project.

The purpose of the drilling programme is to further define the quantity and quality of iron ore already known to be present in the licence area and to allow a JORC classification to then be sought.

In addition, Beowulf has signed a letter of intent with Ludvika in respect of a further planned diamond drilling campaign at the Company's other flagship iron ore project, Ruotevare, to commence in Q4 2010.

Clive Sinclair-Poulton, Executive Chairman of Beowulf commented:

*"In the Raw Material Group's recent conceptual study on Kallak it was recommended that we start a drilling programme to further define the quantity and quality of the asset. Following our recent £1m (gross) fundraising we are now in a position to start this programme while retaining full ownership of this attractive asset. The letter of intent with Ludvika demonstrates our intention to conduct a similar drill campaign on Ruotevare later this year. We are very positive regarding this next stage of our operations at both projects".*

Dr Jan Ola Larsson (Fil. Kand, PhD, DIC), has reviewed and approved the technical information contained within this announcement in his capacity as a qualified person, as required under the AIM rules. Dr Larsson is Technical Director of the Company and has over 30 years relevant experience within the natural resources sector.

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## **Notes to editors:**

### **The Kallak Iron Ore Deposit**

The Kallak Iron Ore Deposit is located north of the Arctic Circle in northern Sweden. The deposit benefits from excellent infrastructure with a network of local forestry roads in the project area located very close to the main paved road between Kvikkjokk (Ruoutevare) and Jokkmokk. A major hydroelectric plant with associated electric power lines is located only a few kilometres away.

The Kallak deposit was originally discovered in 1947 and was assessed by the Geological Survey of Sweden ("SGU") in the early 1970s during which time detailed ground geophysics, diamond drilling and trenching were completed. The deposit is made up of two mineralised bodies both of which are outcropping and up to 300 metres wide with the confirmed extension for the Kallak North deposit being more than one kilometre.

The Kallak North deposit is by far the largest known deposit of the so called "quartz banded iron ore type" that is still awaiting commercial exploitation in northern Sweden. SGU have historically generated an estimated tonnage for the Kallak North deposit of 92Mt and 29Mt for the Kallak South deposit. The deposits are very close to each other and may be geologically connected at depth with grades varying between 35-42% of iron. Low background values have been noted for titanium (< 0.1%), phosphorous (0.04%) and sulphur (<0.6%). For the purposes of their recent conceptual study, the Raw Materials Group ("RMG") assumed that further drilling will increase and upgrade the outlined historic total mineral resource of 121Mt, such that 150Mt was estimated to be mineable by way of conventional open-pit mining methods.

There appears to be good potential to substantially increase the Kallak resource by drilling extensions to the existing resource and by testing other magnetite bearing zones in the vicinity of the deposit.

### **The Ruoutevare Iron Ore Deposit**

In August 2008, Beowulf announced a JORC compliant Inferred Mineral Resource of 140 million tonnes grading 39.1% iron (Fe), 5.7% titanium (Ti) and 0.2% vanadium (V) (cut-off grade of 30% Fe), completed by independent geological consultants Runge Limited. Swedish-based RMG has recently concluded in its conceptual study on the project that the deposit contains a significant resource of iron ore close to the surface and could potentially be developed on the basis of a 10 million tonnes per annum, 15 year open-pit mining operation. At its present stage of evaluation by RMG, it is believed to be one of the largest known iron ore deposits still awaiting commercial exploitation in Scandinavia and conceptually has the potential to produce net cash flows of approximately US\$3bn, in aggregate, over a 15 year mine life.