ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

FOR

BEOWULF MINING PLC
GROUP OF COMPANIES

Contents

Company Information For The Year Ended 31 December 2010

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The Board of Beowulf Mining Plc ("Beowulf" or the "Company") is pleased to present the Group's results for the year ended 31 December 2010. Beowulf currently has ten exploration projects in Northern Sweden primarily prospecting for iron, copper, gold and uranium. The results show that the Group incurred a loss after taxation for the year of £474,395 (2009: £410,187 as restated). Accordingly, no dividend is proposed for the year ended 31 December 2010.

The natural resources sector had a very positive 2010, with commodities prices returning to high levels in response to continued demand from China and the gradual recovery of Western economies. This favourable backdrop led the Group to vary its previous approach of principally seeking joint ventures with third parties to fund exploration drilling campaigns, towards a more proprietary model - with Beowulf successfully raising new equity to fund and manage its own drilling programmes on its flagship iron ore projects, whilst retaining full ownership of these attractive assets.

Ruoutevare and Kallak projects (iron ore)

The Group's main Ruoutevare magnetite iron ore project in Norrbotten County, Northern Sweden has a maiden inferred JORC resource estimate, completed by independent geological consultants Runge Limited in August 2008, of 140 million tonnes grading 39.1% iron (Fe), 5.7% titanium (Ti) and 0.2% vanadium (V) (cut-off grade of 30% Fe). We believe that there is good potential for increasing the current resource estimate at Ruoutevare, and are planning to conduct further drilling there later this year.

An independent conceptual study completed by Sweden's Raw Materials Group ("RMG") and released in February 2010, showed the commercial potential of both the Ruoutevare and Kallak deposits which they described as being some of Scandinavia's largest known remaining iron deposits still awaiting commercial exploitation and very amenable to open pit mining. Based on various assumptions, RMG estimated that the projects could together generate a total net profit, depending on the price of iron ore, ranging from US$2.3 billion to just under US$6 billion over an estimated mine life of 15 years.

The Group successfully raised £1,000,000 (gross) by way of a placing in March 2010 and commenced drilling at Kallak North the following month. The primary objectives of the approximate 3,750 metre drilling campaign were to prove up the quantity and quality of iron ore present, to achieve a maiden JORC classification for Kallak North and to seek to extend the estimated life of any future potential mine.

The 32 hole drill programme was completed on time and within budget in September 2010, with approximately 78% of the drill cores being selected for assaying. Preliminary interpretation of the results suggests the presence of at least 175 million tonnes of iron ore at an average grade of approximately 30% Fe, with the deposit extending for more than 800 metres in a north-south strike direction. High grade mineralisation of up to 43% Fe was encountered at the southern and northern ends of the previously defined extension area, at significant widths, to more than 200 metres below the surface. We believe that there is further potential for significant additional tonnage of iron ore and currently intend to conduct additional drilling in due course to further define the ore body.

We are most positive with regards to Kallak and accordingly, following an approach from Tasman Metals Limited in the summer, swiftly moved to conclude the acquisition of three permits held by them to add more than 700 square kilometres to the southern extensions of our existing Kallak North project. The transaction was structured by Beowulf and involved the acquisition of a newly incorporated UK company, Iron of Sweden Limited, following regulatory approval from the Swedish authorities for the transfer of the permits, for consideration of C$40,000 satisfied in Beowulf shares plus a 1.5% net smelter royalty on any future production. Accordingly, Iron of Sweden Limited is now a wholly owned subsidiary of Beowulf.

In October 2010, the Group raised a further £400,000 (gross) by way of a placing to commence drilling on the new licence area, known as Kallak South, which is potentially a much larger asset than the existing Kallak North deposit. The 32 hole 3,500 metres drilling campaign commenced with the onset of winter, and by the year-end some 951 metres had been drilled. The Group estimates that Kallak South could potentially contain more than

400 million tonnes of high grade iron ore (of a similar type and quality to that encountered on the Kallak North deposit).

Regrettably, the rate of progress with the drilling campaign has been slow due to Sweden suffering its coldest winter for more than 100 years. In a typical year the average temperature in the Kallak area is between -11 and -18 degrees celsius between November and February. However, between November 2010 and January 2011, the average daily temperature encountered was approximately -30 degrees celsius. This has served to delay drilling, as under Swedish law, drill operators must halt operations at temperatures below -25 degrees celsius.

The delay to our work programme caused by the harsh winter conditions is frustrating, but conditions improved at the start of February 2011 and drilling activity is now continuing at more normal levels.

We continue to maintain high expectations for our Kallak project areas and, in November 2010, applied to the Swedish Mining Inspectorate for an additional 2,218 hectares of landholdings surrounding our existing Kallak North and South licences.

The Group has recently appointed Fred Boman as a consultant to advise on the options and process for accelerating our promising exploration projects towards potential future production, the first stage of which involves establishing a new Swedish subsidiary to facilitate the potential future application for a mining licence or exploitation concession. In addition, the Company has retained the services of RMG in order to continue to develop their abovementioned conceptual/scoping study.

Ballek project (copper-gold)

The second of the Group's projects to attain a JORC standard inferred resource estimate to date is the Lulepotten copper-gold deposit on the Ballek joint venture, with an estimated 5.4 million tonnes grading 0.8% copper and 0.3 g/t of gold, representing a total of 43,000 tonnes of contained copper metal and 52,000 ounces of contained gold using a cut-off value of 0.3% for copper. Lulepotten currently forms the largest copper deposit within the Group's Ballek project area, covering close to 11,000 hectares.

By the end of March 2010, our joint venture partner, Energy Ventures Limited ("EVE") had completed their 1,601 metre diamond drilling programme to satisfy their JV commitments as operator and earn-in a 50% interest in the project. The Ballek permits are held in a newly incorporated UK subsidiary, Wayland Copper Limited, in which Beowulf and EVE currently each maintain a 50% shareholding.

Despite the drill programme confirming the presence of widespread anomalous copper-gold mineralisation in the area, it became apparent that EVE was increasingly focussing its management time and resources on its series of uranium projects in North America. Beowulf has therefore recently assumed the role of operator of the Ballek project, and we are currently assessing further drilling targets and exploration strategies for this area of high potential.

Other projects

As the Group has been concentrating its resources on its key iron ore and copper assets, its remaining portfolio awaits further development. Our other attractive portfolio assets include the Grundträsk gold project, the Geddaur uranium, gold and silver permits, the Manakjaure uranium permit and the Munka licence area in Northern Sweden, which covers some 800 hectares and hosts Sweden's largest, drill confirmed deposit of molybdenum.

Unlike many other junior exploration companies, Beowulf is not focused on a single commodity, but rather has a broader portfolio. This diversity of assets reduces our risk exposure to any single commodity, but we therefore need to adopt a disciplined approach and allocate management's time to those projects where we believe that we can deliver the best returns for our shareholders.

We nevertheless plan to develop more of our portfolio in the future, and continue to look for additional assets to complement and extend our existing attractive portfolio.

Corporate

As referred to above, the Group has successfully completed two placings during the year under review, raising some £1,400,000 (gross) to provide greater flexibility in respect of the development of our assets whilst retaining 100% ownership. The net proceeds have been applied to fund our exploration activities including drilling, assaying, the scoping/conceptual study and metallurgical analysis.

In September 2010, an outstanding £250,000 2012 4% convertible loan was converted in its entirety by Starvest plc into 6,250,000 new ordinary shares, which was a highly encouraging development and left the Group totally free of debt with a strengthened balance sheet.

Reflecting the upward trend in iron ore prices, the focus on our three flagship projects has to date been a great success with the Group's market capitalisation increasing from approximately £3.5 million in March 2010 to approximately £48 million in December 2010, and has continued to rise into 2011 (exceeding £100 million in mid February).

The Group was also the best performing share on the AktieTorget market in 2010 and has continued to enjoy strong support from Swedish investors.

We place great importance on our investor relations strategy and have spent considerable time and effort to ensure that Beowulf's potential is communicated to existing and potential new investors in both the UK and Sweden. Investor presentations have taken place in both countries in 2010 with further presentations planned for 2011.

Outlook

There is some talk of a "super cycle" in natural resources where demand will exceed supply for many years. Every indication is that there will be continued high levels of demand for both iron and copper and that gold and uranium will also maintain high pricing levels.

Growth in China's economy also continues at a rate of circa 9% per annum with India not too far behind. Relatively few commentators mention India's requirements for raw materials, but it is estimated that their demand for metals will double over the course of the next five years and that the Indian government plans to spend US$1 trillion in the period up to 2017 on infrastructure projects. This backdrop, combined with India's restrictions on their exports of iron ore, bodes well for global iron ore prices.

While Asian economies generally continue to expand aggressively, both Europe and the USA are still recovering, the latter quite strongly and the former strong in some parts and weak in others. Overall, the global macroeconomic outlook is generally continuing to improve which should serve to support demand for natural resources.

Beowulf is fortunate to operate in one of the most stable countries in the world, but which remains accessible to those markets that need our potential future products. We shall continue to look at ways to extend our portfolio and to demonstrate the depth and breadth of our existing assets.

Our key objective is to prove up our portfolio and deliver long term shareholder value. We believe that our assets have considerable potential and shall continue to endeavour to realise such potential. The Board remains most appreciative of the continued assistance and support provided by the Company's employees, consultants and professional advisers. It also values the regular contact and loyalty of the Company's shareholder base and the wider investor community.

Clive Sinclair-Poulton
Executive Chairman

28 February 2011

Introduction

Sweden is by far the largest iron ore (mostly magnetite) producer in the EU and one of the leading producers of base and precious metals. It provides modern, efficient and well-established infrastructure via roads, rail and water and benefits from excellent power accessibility/affordability, a highly skilled mining and exploration workforce, extremely low sovereign risk and a very strong mining culture, built up over many decades.

Beowulf has been active in Northern Sweden since commencing operations in 2003 focussing on areas with high exploration potential for iron, copper, gold, molybdenum and uranium located in the Västerbotten and Norrbotten counties.

Exploration licences

Beowulf currently holds 18 exploration permits in Northern Sweden as set out in the table below:

Licence Name	Licence ID	Area (sq. km)	Date Granted	Valid Until
Arjeplog Region:				
Ballek nr 2*	2005:69	38.00	21/04/2005	21/04/2012
Ballek nr 3*	2005:98	37.94	24/05/2005	24/05/2012
Ballek nr 4*	2005:202	22.00	29/09/2005	29/09/2011
Ballek nr 5*	2007:101	12.00	27/03/2007	27/03/2012
Geddaur nr 1	2007:130	12.00	23/04/2007	23/04/2012
Geddaur nr 2	2007:155	19.50	02/08/2007	02/08/2011
Geddaur nr 3	2007:209	100.00	02/08/2007	02/08/2011
Munka	2009:178	8.00	03/11/2009	03/11/2012
Jokkmokk Region:				
Majves nr3	2009:019	7.30	21/01/2009	21/01/2012
Manakjaure nr 1	2007:133	5.40	24/04/2007	24/04/2012
Parkijaure nr 3	2011:086	4.17	20/01/2011	20/01/2014
Parkijaure nr 2	2008:020	2.85	18/01/2008	18/01/2012
Kallak nr 1	2006:197	5.00	28/06/2006	28/06/2012
Kallak nr 2	2010:1319	22.19	05/11/2010	05/11/2013
Ruoutevare	2006:85	8.50	21/03/2006	21/03/2012
Kiruna Region:				
Riikalahti nr 1	2008:023	11.50	22/01/2008	22/01/2012
Skellefte Mining District:				
Grundträsk nr 6	2010:161	15.53	04/11/2010	04/11/2013
Grundträsk nr 4	2008:107	20.60	28/05/2008	28/05/2012
TOTAL:		352.48km^2		

* - the Ballek permits are held by the joint venture company, Wayland Copper Limited, in which Beowulf has a 50% interest and is the operator. The remaining permits are wholly owned by Beowulf.

The exploration permits are governed by the Swedish Minerals Act (1991:45), which was subject to amendments in 1993 and 1998. The Act accords that an exploration permit is granted for an initial period of three years, and can be subsequently renewed for a further three years by way of annual extensions. A final extension of the permits can be granted for an additional three years, after which an application for an exploitation concession must be made. Further information on the permits can be obtained from the Mining Inspectorate of Sweden (Bergsstaten) in Luleå (Varvsgatan 41, S-972 32, Luleå, Sweden, www.bergsstaten.se).

A brief description of Beowulf's licence areas and the exploration work carried out is provided below.

The Kallak Iron Ore Project

Against a background of rapidly increasing metal prices and the Group's early exploration successes at Kallak, Beowulf has focused most of its exploration work in 2010 on its Kallak Iron Ore Project. During the year, the Company announced that further to more than 4,000 metres of new diamond drilling, it had defined two sizeable iron ore deposits of high quality quartz banded magnetite type. The drill programme at Kallak is ongoing in order to further define the size of the deposits. The closely located deposits have been named Kallak North and Kallak South respectively. The Group's ongoing drilling campaign and the assay results received to date from the drill cores sampled have revealed that the two deposits may together hold more than 600 million tonnes of iron ore and as such represent some of the largest undeveloped iron ore deposits in Scandinavia. In light of the positive results obtained, the Company has recently commissioned an experienced Swedish consultancy group, Hifab AB, to assist it with the process of completing surveys and reports on the area for submission to the Mines Inspector and Norrbotten County Board Administration in respect of transferring the Company's existing Kallak licences into exploitation concessions including a permit to start test mining. A significant part of such an application is the completion of an Environmental Impact Study (EIS) which is currently intended to be submitted by Beowulf by the end of 2011.

The Kallak iron ore project area is located in the Jokkmokk municipality north of the Arctic Circle approximately 40km west of the Jokkmokk city centre and approximately 80km southwest of the major iron ore mining centre of Malmberget in the Norrbotten County in Northern Sweden. The project covers a total area of 34.21km2, which is made up of four separate licences namely Kallak nr 1, Kallak nr 2, Parkijaure nr 3 and Parkijaure nr 2. The Kallak nr 1 licence was registered in 2006 and Kallak nr 2 in late 2010. In September 2010, the Company announced the completion of its acquisition of Iron of Sweden Limited which, inter alia, holds the Parkijaure nr 3 and nr 2 permits, from Tasman Metals Limited, a Canadian company listed on the Toronto stock exchange, for consideration comprising the allotment of 691,291 new ordinary shares in Beowulf and a 1.5% net smelter royalty on any future production. The four licences are joined together in a well defined area containing the two iron ore deposits.

The project area is occupied by forested, low hilly ground close to the main paved road between Kvikkjokk (Ruoutevare) and Jokkmokk. Local infrastructure is excellent with all-weather gravel roads passing through the project area, and all parts of the site are easily reached by well used forestry tracks. A major hydroelectric power station with associated electric power-lines is located only a few kilometres to the south east. There is no human settlement within the project area, the closest villages being Björkholmen, about two kilometres to the northwest, and Randijaur about three kilometres to the east. The nearest railway line passes approximately 40 kilometres to the east.

The principal land use at present is forestry with the majority of the ground area being owned by a large local forestry company. The vegetation of the region is generally comprised of mature pine, birch and spruce trees. The ground elevation varies between 300 and 450 metres above sea level in an area of undulating forested or logged ground forming a peninsula surrounded by Lake Parkijaure. The highest point is the Råvvåive mountain at 481 metres in the south east part of the project area.

Kallak Iron Ore deposits

Iron ore was discovered in the Kallak area by the Geological Survey of Sweden (SGU) in 1947-48. Between 1968 and 1970, detailed ground geophysical surveys were carried out in the entire area of interest including closely grid spaced magnetic, gravimetric and electromagnetic measurements. Some limited diamond drilling was also carried out. It was determined that two iron ore deposits were present, separated by only some several hundred metres in distance. Being in the same geological structure, recent work by the Company indicates that they may be connected at depth. The deposits have been defined by the Company as the Kallak North and Kallak South deposit respectively.

The iron ores are outcropping and consist of so called "quartz banded magnetite type", a fine grained banded magnetite and minor hematite, interlayered with quartz, feldspar and some hornblende. The dominant host rock is a grey volcanite. The ores occur in a north-south oriented syncline of sediments and felsic volcanic rocks of early Proterozoic age within granitic gneisses.

The iron deposits are more than 300 metres wide. The northern deposit has a confirmed extension of more than one kilometre and the southern deposit has a total length of more than two kilometres. The ores are almost vertically dipping covered with only shallow glacial overburden and as such are highly amenable to potential open pit mining.

During 2010, Beowulf completed a grid pattern based drill programme on the Kallak North deposit of 32 holes totalling 3,757.8 metres and covering the majority of the deposit. The inclined drill holes directed towards west along E-W profile sections covered the width of the deposit with 100 metres spacing between each drill profile. The drill cores were all scanned in the field at the drill site using a highly sensitive hand held magnetic susceptibility meter with automatic average registrations over selected core lengths. Accordingly, sections of magnetite ore were quickly identified even at moderate iron grade and the drill cores subsequently geologically logged. A total of 2,883m, approximately 78.2% of the drill cores, were prepared at ALS Global Sweden's laboratory in Öjebyn, northern Sweden, with assay analysis performed by XRF techniques at the ALS laboratory, Perth, Australia. The drill cores were continuously assayed when received at the laboratory and individual samples varied between one and four metres in length.

The assay results confirmed that the Kallak North iron deposit extends for more than 800m in a north-south strike direction and that it is up to 300 metres in width. The deposit is almost vertically dipping with presently drill confirmed vertical depth extension down to 200 metres.

A number of encouraging drill results were noted, with hole KAL 10 004 being mineralised across its entire length from the surface to a depth of 214.7m at 30.2% Fe, including a high grade section of 64.2m at 38.5% Fe extending from 115.2m to 179.4m. Within the same drill section, hole KAL 10 001 intercepted a section of high grade iron mineralisation of 93.1m at 33.1% Fe between 86.25m and 179.35m. Similar significant grades and widths were noted for hole KAL 10 016, with a 119.05m section at 33.3% Fe from 8.9m to 127.95m.

A weighted average calculation for all of the samples of mineralised intercepts from the 31 holes that were analysed yielded a result of 28.9% Fe. A high grade mineralised zone (35-43% Fe) of more than 100 metres width and forming the western limit, was confirmed extending along the entire length of the deposit.

Significant additional tonnages of iron ore are anticipated from planned future drilling at Kallak North as its total N-S extension is not currently defined. High grade drill core intercepts, both at the northern and southern ends of the Kallak North deposit, have shown that the iron mineralisation extends well beyond the present drill confirmed extension area. Accordingly, additional drilling at the Kallak North deposit is required during 2011 in order to define the limits of the deposit extension.

In late 2010 the Company started work on its Kallak South drilling programme, which will again comprise a total of 32 holes to be drilled in a grid pattern of twelve drill profiles in an E-W direction at 200 metres spacing covering the N-S extension of approximately 2,400 metres of the deposit as noted from ground magnetic data. Drilling was temporarily interrupted following the completion of the first ten holes because the area was hit by unexpected severe winter weather conditions with extremely low temperatures of -35 degrees celsius over extended time periods forming one of the coldest winters in the region for more than 100 years. Drilling subsequently resumed at an accelerated rate in order to make up for lost time with the full programme expected to be completed this summer.

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

Both the Kallak North and the Kallak South iron ore deposits are located in close proximity to each other, being separated by only some few hundred metres in extension, within the same highly altered, Proterozoic volcanic bedrock structure. As such, the deposits are interpreted to possibly be geologically connected at greater depth to form one very large iron ore resource of more than 600 million tonnes with a total extension of more than four kilometres.

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

A conceptual study on the Kallak North deposit commissioned from the Raw Materials Group (RMG) was received by the Company in early 2010. RMG assumed that further drilling will increase and upgrade the outlined historic total mineral resource such that 150Mt was estimated to be mineable by way of conventional open-pit mining methods. In its conceptual study on the Kallak North deposit, RMG stated that the deposit over a planned 15 year mine life had the potential to produce net cash flows of, in aggregate, approximately US$2.9bn. With new drilling results now available and substantially higher prices for iron the Company has recently commissioned RMG to update its conceptual study.

In 2010, metallurgical bench scale tests including Davis Tube Recovery (DTR) tests were completed by MINPRO AB ("MINPRO") of Strassa, Sweden (www.minpro.se) on ore grade material from recent drillholes on the Kallak North deposit. The tests were directed towards the production of a high grade magnetite pellet feed product for use by potential clients. Traditional treatment of the ore material by fine grinding and wet magnetic separation resulted in a clean magnetite pellet feed product containing 68.0% iron corresponding to a recovery of 85.1%. The head grade ore material contained 39.8% iron, 33.1% SiO_2, 0.57% MnO, 0.09% P_2O_5, 0.10% TiO_2 and 0.007% S. During 2010, further testing of the Kallak North deposit ore material by MINPRO, using flotation techniques combined with wet magnetic separation, resulted in a final, high grade pellet feed product containing 70.4% iron with low levels of containments such as phosphorous, manganese, sulphur and titanium. By general industry standards, this product is considered by Beowulf to be of high commercial quality and of direct potential interest to the international steel market.

The Company has recently commissioned MINPRO to complete new bench scale metallurgical testing, including DTR studies, on iron ore grade material from the Kallak South deposit in a similar manner to those completed for the Kallak North deposit. Results of these studies are currently anticipated to be received by the end of Q2 2011.

Most recently, the Company has commenced work with respect to a planned formal application for the transfer of the existing exploration permits for the Kallak project area into an exploitation or mining licence. As outlined in Sweden's Minerals Act, a significant part of this proposed application will involve the commissioning of an Environmental Impact Study (EIS), which will be carried out by the Swedish consulting company Hifab AB, Luleå with experience of similar successful assignments for other mining companies in Northern Sweden. In connection with this work, a number of meetings with the principal municipial authorities of Jokkmokk and locally affected organisations such as Sami village boards, have been held to enable the Company to outline its development plans for the Kallak deposits.

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

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

In addition, the Company has recently registered a wholly owned Swedish subsidiary, Beowulf Mining AB, based in Stockholm to facilitate the potential transfer of the Kallak exploration permits into an exploitation concession and the other formalities required by Swedish law.

Ruoutevare

The Ruoutevare Magnetite Project consists of one exploration permit covering a total area of 850 hectares located in the municipality of Jokkmokk approximately 1,100km north of Stockholm, in Norrbotten County, 13km north-west of the small village of Kvikkjokk. Beowulf's Kallak project is located closer to the Jokkmokk town centre about 90km to the east. The 2.3 billion tonnes Kiruna iron ore mine, the world's second largest underground mine, is located approximately 150km to the northeast and the Malmberget iron ore mine is located 120km to the east. Luossavaara-Kiirunavaara AB (LKAB) owns and operates both the Kiruna and Malmberget iron ore mines as well as the Luleå-Malmberget-Kiruna-Narvik railway route used to transport iron concentrates and pellets.

The project area is approximately 180km by road from the nearest potential road-rail loading site, on the Luleå-Malmberget-Kiruna-Narvik railway route. Power accessibility and relative costs are excellent in Sweden, with the Seitevare hydroelectric plant located approximately 75km away by road.

In August 2008, Beowulf announced a maiden JORC code compliant Inferred Mineral Resource estimate for the project. Completed by independent geological consultants Runge Limited, the Inferred Mineral Resource estimate of 140 million tonnes (Mt) grading 39.1% iron (Fe), 5.7% titanium (Ti) and 0.2% vanadium (V) (cut-off grade of 30% Fe) exceeded the initial estimate of between 116-123Mt of mineralisation.

The estimate is principally based on 32 diamond core drill holes totalling 6,223m, drilled by the SGU in the early 1970s. SGU estimated 116Mt at 38.2% Fe, 5.6% Ti and 0.17% V. Detailed ground magnetic and metallurgical test work was made available to Runge Limited, together with geological mapping of the deposit completed in 2006. A comprehensive review of the drill data and geophysical information, together with the findings of the 2006 geological mapping report, by Beowulf indicate that mineralisation extends beyond the area drilled by the SGU.

Detailed metallurgical test work on the Ruoutevare deposit was first carried out by the Swedish government-owned iron ore mining company LKAB with subsequent work by Finnish steel company Rautaruukki.

The Ruoutevare magnetite deposit is an out-cropping, flat-lying to gently dipping magnetite rich layer about 150m thick within an anorthositic gabbro. The magnetite ranges from massive to disseminated and is associated with ilmenite.

The magnetite mineralisation consists of four lenticular pods of mineralisation that are interpreted to be the result of magmatic layering within the intrusive complex. The most significant mineralised body is approximately 1,500m long and 200m to 300m wide.

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

The resource was estimated in a standard block model using Ordinary Kriging interpolation. The interpolation was constrained by resource outlines based on mineralisation envelopes prepared using a nominal 30% Fe cut-off grade.

In 2009 and 2010 a series of metallurgical tests on material from Ruoutevare have been conducted by MINPRO at its research laboratory at Stråssa, Central Sweden. Results from tests conducted on milled ore material to optimise a reduction technique process have shown that a final sponge iron powder containing up to 95% iron (Fe) with 1.5% titanium (Ti) is obtainable. The initial grades of Fe 52.1% and TiO_2 11.4% from the milled ore material studied, compared very favourably with a 1970s study by the SGU showing grades of Fe 53% and TiO_2 12.3%. Bench tests have also been successful in producing a magnetite pellet feed product containing 67.8% Fe of high commercial quality with low levels of contaminating metals. Additional tests in 2010 by MINPRO, applying the reduction/segregation process, further improved the quality of the sponge iron powder reaching a grade of 97% iron.

In addition to the metallurgical test programme, in July 2009 the Company commissioned RMG to update its 2006 scoping study on Ruoutevare, using the Company's most recent geological and technical data, with the objective of further defining the commerciality of the project. The updated independent conceptual study was completed in February 2010 and showed that Ruoutevare contains a significant resource of iron ore close to the surface and is very amenable to open-pit mining. On the basis of its conceptual financial analysis, RMG concluded that the project is robust and warrants further drilling and analytical work, and together with Beowulf's Kallak deposits (outlined above) represents one of the largest known remaining iron ore deposits in Scandinavia still awaiting commercial exploitation. RMG stated that the deposit, over a planned 15 year mine life, has the potential to produce net cash flows of, in aggregate, approximately US$3bn. The complete RMG report is available on Beowulf's website www.beowulfmining.net. The Company has recently commissioned RMG to produce a further updated conceptual study on Ruoutevare.

A new diamond drilling programme of approximately 2,000 metres is planned to commence at Ruoutevare later this year if renewed drilling permits are granted in time.

Ballek

The Ballek project comprises four exploration permits covering a total area of 109.9km2, located in the Arjeplog municipality approximately 13km east of the town centre, in the Västerbotten county in Northern Sweden. In September 2008, Beowulf reported a maiden Inferred Resource estimate, under the JORC code reporting standard, for the Lulepotten copper-gold deposit on the project. This represented the first stage review of known copper resources in the Ballek area following a diamond drilling programme completed by our former joint venture partner, Agricola Resources plc, earlier in 2008, which also intersected copper sulphide mineralisation.

The estimate for the Lulepotten deposit outlined a total Inferred Resource of 5.4 million tonnes, grading 0.8% Cu and 0.3g/t Au, representing a total of 43,000 tonnes of contained copper metal and 52,000 ounces of contained gold using a cut-off value of 0.3% for copper.

	Inferred Resource			Contained Metal	
			Grade		
Deposit	Tonnes (Mt)	Cu (%)	Au (g/t)	Copper (t)	Gold (oz)
Lulepotten	5.4	0.8	0.3	43,000	52,000

Diamond drilling by the SGU in the 1960s and 1970s identified fracture-hosted copper-gold sulphide mineralisation at the Lulepotten deposit. Re-evaluation of this historic drilling data by Agricola suggested that the drilling had intersected locally significant thicknesses and grades of copper-gold mineralisation that may have sufficient continuity to be amenable to economic extraction through a bulk mining method.

The Lulepotten resource has been estimated on the basis of historical diamond drilling information and assay results recovered from the SGU archives in Malå, Sweden. This data has been verified by field checking of drill hole collar locations, visual inspection of the drill core and a full review of geological logging, sampling and assaying procedures. Confidence in the available data is sufficient to establish the geological and grade continuity appropriate for an Inferred Resource classification for the deposit.

The resource model for the Lulepotten deposit was defined by a total of 49 diamond drill holes, drilled perpendicular to strike and completed on a nominal 50 metre by 50 metre grid. The model comprises a series of sub-parallel, tabular bodies that show continuity over approximately 600 metres of strike length and down dip to the limit of drill testing. The resource estimate has been constrained to model wireframe volumes defined by the available geological and geochemical data.

An average specific gravity value of 2.7 was used for the resource estimate, in the absence of any representative density measurements for the deposit. This value was chosen on the basis of average accepted values for the rock types observed in the diamond drill core.

The Lulepotten copper-gold mineralisation is localised along the contact between a granitoid and a package of intercalated mafic to felsic volcanic rocks and sedimentary units which have all been metamorphosed and strongly foliated. The mineralisation occurs in a series of sub-parallel structures that follow the local fabric, which strikes southwest-northeast and dips steeply to the northwest. Sulphide mineralisation within the deposit comprises irregular veinlets and disseminations of chalcopyrite plus bornite, with lesser pyrite. Mineralisation is mainly developed within the metavolcanic and metasedimentary sequence but also locally occurs within the adjacent granite.

During the period from 1960 to 1978, a total of 104 diamond drill holes were completed over the deposit area with approximately 22,265 metres of drilling on a nominal 50 metre by 50 metre grid spacing. These drill holes, core from which is currently stored at the SGU core archive, effectively tested the mineralised structure to a depth of about 250-300 metres below the surface, and over a strike length of approximately 1,500 metres. Only a single hole has tested the structure at depth (600 metres below surface) and results indicate that the mineralisation extends down-dip.

The mineralisation is open along strike and at depth and the prospective strike length of the mineralised structure is approximately 5,000 metres. Geological and geophysical targets with similar characteristics to the known mineralisation have been identified to both the north and southwest of the deposit, along the same geological structure that hosts the mineralisation.

In September 2009, the Company formed a new joint venture with Australian company Energy Ventures Limited (“EVE”) to further explore the Ballek copper targets. By funding and completing a 1,601m, eight hole diamond drilling programme on time, targeted on extensions of the Lulepotten deposit, EVE was entitled to earn-in a 50% interest in the project. Accordingly, a new UK private company, Wayland Copper Limited (“Wayland”), was established to hold the project’s exploration permits, which is now jointly and equally owned by Beowulf and EVE.

The drilling results were announced on 28 June 2010. As anticipated from geological logging there were a small number of narrow mineralised intervals of about 0.5 metres with copper grades in excess of 1% with some supporting gold grade. Visible copper sulphide mineralisation was observed in three holes. Mineralisation was contained in narrow fracture zones within granitic and metavolcanic rocks and comprised of fine to coarse grained copper sulphides like chalcopyrite and bornite with minor chalcocite.

In February 2011, the Company announced that it had assumed the role of operator as EVE had decided to focus its efforts on a series of uranium projects in America. EVE has nevertheless retained its interest in Wayland and continued to assess further exploration drilling targets and development options for the project under Beowulf’s operatorship.

Beowulf currently plans to conduct a further 2,000 metre drill programme later this year on Ballek in order to continue to test the indicated copper targets at increased depths as defined by historical deep sensing geophysical ground surveys completed and reported by the independent consultants GeoVista, Luleå and earlier reported work.

Grundträsk

The Grundträsk Project is focused solely on gold. During the year the Company was granted a new licence Grundträsk nr 6, with the previously owned licences Grundträsk nr 2 and nr 3 being relinquished. The project covers a total area of approximately 36km2 located in the Skellefte Mining District of Northern Sweden. There is little outcrop and the land is currently used for forestry. There is good infrastructure in place, with the area being served by a network of forest roads, including the paved main road from Skellefte to Malå, which passes through the licence area. There are no problems with water or electricity with both being available locally. Grundträsk has the potential for a shallow depth gold resource, with gold bearing sulphide mineralisation starting at shallow depths of less than 12 metres, suggesting that any deposit will most likely be amenable to open pit mining.

Results to date indicate the presence of sigmoidal gold bearing structures in the mineralised corridor over a strike length of 800 metres. Drilling has returned gold grades of up to 5.2 metres at 4.28 grammes per tonne, 4.62 metres at 2.8 grammes per tonne, 5.7 metres at 2.53 grammes per tonne and 16.9 metres at 1.86 grammes per tonne.

In 2010 the Company commissioned the consultancy company GeoVista AB, Luleå to conduct an overview of historical diamond drilling by the Company at Grundträsk and reprocess and interpret all available ground geophysical data with a view to outlining the next phase of exploration work by the Company including potential diamond drilling to further define gold targets of possible economic interest.

Their report outlined a number of recommendations for future work. Specifically, a more systematic diamond drilling programme in grid based profiles across the pronounced Induced Polarisation (IP) anomaly, which previous drilling by the Company has proven to host sulphide and gold mineralisation, was recommended. In order to provide better guidance for drilling, it was suggested that three lines of spectral IP with dipole-dipole configuration be carried out across the main Grundträsk IP anomaly to obtain better resolution and sensing of deeper structures.

A pronounced undrilled IP anomaly was also outlined in the new licence area Grundträsk nr 6. Based on the available data, GeoVista recommended immediate drilling of this target.

During 2011, the Company currently plans to complete a 2,000 metre drilling programme on its Grundträsk project to further define the gold targets in width and extensions.

Majves (Jokkmokk)

The target of the Majves project in the Jokkmokk area is an iron oxide copper gold deposit (IOCG). Beowulf has been exploring the area since 2003 and currently retains the single Majves nr 3 licence area.

The area was historically the subject of a joint venture with the copper major, Phelps Dodge. Drilling in 2004 intersected 110 metres of 0.42% copper and 0.52 grammes per tonne of gold. Follow up drilling in 2005 was less successful and Phelps Dodge withdrew from the joint venture.

The exploration logic is that the area is associated with large north-east south-west fracture zones and similar structures are associated with Boliden AB's Aitik copper mine. Beowulf has had discussions with a major copper producer about a joint venture on its Jokkmokk properties, but to date no joint venture has been completed and during the year no field work was carried out by the Company in this project area.

Geddaur

The Geddaur licences, acquired from Agricola Resources plc in September 2009, are located east and south of the city centre of the municipality of Arjeplog in the Norrbotten county of Northern Sweden. The total licence area of 131.5km2, comprising the Geddaur nrs 1, 2 and 3 licences, joins up with our Ballek licence block. It has excellent infrastructure and easy field area access via a number of good forest roads. The licence areas have high potential to hold two separate styles of mineralisation, one type being copper-gold deposits and the other high grade uranium deposits.

i) Copper-Gold targets

Evaluation of the exploration potential along strike from the Lulepotten Cu-Au deposit at Ballek suggests that the Geddaur permits are prospective for repetitions of this style of mineralisation. Available exploration data indicates that the geological structure which seemingly controls mineralisation at the Lulepotten deposit extends towards SW into the Geddaur nr 1 exploration permit.

There has been limited historical exploration conducted on the Geddaur permits. However, there are numerous boulder occurrences of copper sulphides in the area and the interpreted structure suggests that the permits have potential for copper-gold mineralisation.

The exploration programme on the Geddaur permits is much less advanced than that on the Company's Ballek JV project. A preliminary exploration programme for Cu-Au deposits is as follows:

1) Assessment of the available mapping, geochemistry and ground geophysics;
2) Completion of Induced Polarisation (IP)/resistivity surveys as required to augment the historic SGU data (2011 field season); and
3) Reconnaissance drill testing of priority targets (2011-12 drilling season).

The drill programme on geophysical targets along the Lulepotten trend within our Ballek JV project has provided some further geological insights into the distribution and controls of copper mineralisation within the Geddaur permits.

ii) Uranium targets

Uranium targets of high potential are located within the Geddaur nr 1 and nr 2 licences. The targets were initially discovered in the 1970s by the SGU as a result of follow up surveys from previous discoveries of several hundred radioactive boulders forming a trail several kilometres long extending in a NW-SE direction (coinciding with glacial flow direction). Ground geophysical gridline studies including magnetic, electro-magnetic (EM) and gravimetric surveys, as well as detailed geochemical drainage sediment surveys, were carried out in the late 1970s. Most of this historic data has since been digitised and reinterpreted by Agricola Resources plc and was transferred to Beowulf following its acquisition of the permits in September 2009.

SGU's early work included limited trenching through the glacial overburden of the proximal part at the up ice direction of the boulder trail which revealed uranium bearing bedrock over 55m in length. The mineralised zone coincided well with a notable magnetic anomaly. However, at the time of the surveys water inflow from surrounding bogs restricted proper sampling and further intended trenching. Some incomplete sampling of the bedrock of the trench returned grades varying between 0.05-0.1% of uranium and low background levels of thorium, which were similar to those noted in the boulders. A local boulder in the overburden material of the trench was found to contain 0.4% uranium, 2.6 g/t of gold and 70 g/t of silver.

The uranium phase, although not determined, is probably uraninite, and occurs as disseminations in a foliated, hematised, granitoid host bedrock. Outside the trench, the local bedrock is poorly known as there are only a few outcrops registered in the glacial till and bog covered area. Regional geological maps indicate that the area is occupied by acid, metavolcanic rocks with minor intercalations of mafic rocks. Younger granites intrude the volcanic rocks.

Detailed drainage sediment geochemistry has outlined very strong responses of uranium coinciding with high molybdenum and silver in minor drainages close to the local trench and in the surrounding streams. The magnetic anomaly as noted from the historic ground geophysical survey is seen to extend for some kilometres through the licence area.

Although a large drill programme was intended to be conducted in the 1970s by the SGU no drilling has yet been carried out on the prospect.

Beowulf plans to further evaluate these uranium prospects in the near future. It is initially envisaged drilling approximately 10 diamond drill holes for a total of around 1,000m centred on the pronounced magnetic anomaly, which extends for more than three kilometres through the Geddaur nr 1 licence area. Initial drillholes should be targeted to cut the uranium mineralisation at depth underneath the 55m mineralised stretch of the trench. Such an initial drill programme will best be performed in winter springtime conditions when the bogs are generally frozen and snow cover simplifies drill rig access.

There are a number of further subtle magnetic anomalies in the area which are associated with weak EM anomalies. It is currently intended that these will be further evaluated by a soil radon cup survey to be carried out in early summer (June) in order to pinpoint future drill targets. A soil radon grid line survey of 25m spacing should include about 300 sampling stations of radon detector cups.

Manakjaure

The Manakjaure uranium prospect is located approximately 85km northwest of the city centre of the municipality of Jokkmokk in the Norrbotten county of Northern Sweden. It covers a lightly forested area of 5.4km2 and access is via a forest road from the east.

In general, the geology of the Manakjaure area is dominated by sedimentary rocks of recrystallised feldspar-rich quartzite belonging to the Precambrian Snavva-Sjöfallet Sediment Group. These rocks occupy most of the licence area. Volcanic rocks of acid lavas, lying stratigraphically above the sediments, are noted to the east. These supracrustal rocks strike in a NE-SW direction and dip approximately 40 degrees towards SE.

A pronounced feature, noted from historic magnetic surveys, is the presence of a major concordant-subconcordant basic dike (diabase) that extends through the complete licence area in a NE-SW direction. Several irregular lenses of pegmatite, carrying impregnation of uraninite are noted close to the diabase and the contact zone with the sediments.

The prospect was discovered by the SGU after several high grade radiometric boulders, forming large fields and trails, were located in the area with grades reaching 0.1% of uranium. In the early 1970s gridline magnetic surveys were carried out over parts of the area and in the mid 1970s an initial drill programme was carried out at two locations at the proximal parts of two identified boulder trails. The drilled targets, about 1.5km apart, were also lying on a major magnetic anomaly associated with the diabase. The magnetic anomaly, however, is of substantial length and as such only a very limited section was drill tested.

The historic drilling confirmed the presence of uranium in the generally biotite rich pegmatite, at both locations, lying closely associated with the diabase. Numerous zones of fracturing and shearing were also noted. In the southern target area, four holes penetrated the uranium bearing pegmatite. Average grades in these mineralised drill cores were about 800ppm of uranium. A 0.5 metre section in one drill hole contained 0.35% uranium.

The historic drilling was confined to some narrow sections of the diabase where fields of radiometric boulders had been located at the glacial till surface. However, there are a number of extremely high-grade radioactive boulders in the area identified through groundwork performed by Agricola Resources plc, indicating further different sources of uranium mineralisations than the zones drilled by the SGU.

To date, the full extension of the diabase, as identified by groundmagnetic survey, and its surrounding contact zones with quartzite/pegmatites is believed to form a viable economic target for uranium. The numerous zones of fracturing and shearing along the diabase structure may also locally form high grade pockets of uranium. There are also indications of parallel uranium bearing structures present within the licence area.

Detailed field studies by scintillometer and collecting grab samples of surface boulders and outcrop by the company during 2010 outlined pronounced anomalies of uranium over large areas and further confirmed the potential of the area.

Based on the available positive historical results, further drilling of this prospect is planned in due course. Although potential further drill sites have been selected, mainly based on available studies of the ground magnetic survey data, Beowulf is currently planning for an initial soil radon cup grid survey to be carried out in 2011 along the anomalous magnetic zones. High soil radon areas will further define potential future drill sites.

Riikalahti

The Riikalahti nr 1 licence area covers 1,150 hectares and is targeted on nickel and copper sulphide prospects. It is located approximately 40km north of the town centre of Kiruna in the Norrbotten County of Northern Sweden. The area is relatively lightly forested. Access by field vehicles and drill rigs is best achieved in the winter months as there are no local forestry roads within the licence area.

The prospect area is occupied by a large, layered mafic-ultramafic intrusive approximately 4 by 3 kilometres in size and was discovered and surveyed by the Swedish state-owned company LKAB Exploration AB in the 1970-80s. Some geophysical targets were tested by limited diamond drilling comprising 7 holes totalling 968 metres. Mineralised boulders with grades of up to 0.8% of copper and 0.3% of nickel were found in the area. Scout drilling revealed the best grades in a drill hole in gabbroic rock of 0.35% cobalt, 0.18% nickel and 0.21% copper over a narrow sulphide rich section. This hole also contained 0.43 g/t platinum plus palladium over a 1m section. The historic geochemical surveys indicate extremely high contents of nickel and copper present in large areas mainly in the central part of the licence area.

Based on the available historical exploration data and the large size of the layered intrusive, Beowulf considers that the Riikalahti area is of interest to host potential deposits of nickel and copper-bearing sulphides with platinum group metal credits. Future work will include ground geophysical surveys (magnetics and electro-magnetics (EM)) and potentially follow-up diamond drilling. It is currently hoped that the geophysical surveys can be completed by helicopter using airborne equipments in a JV survey planned for 2011 on neighbouring ground held by an Australian company.

Munka

The Munka deposit, confirmed by historic drilling, extends over 800m in length with parallel mineralised lenses of varying width in excess of 20m. Between 1973 and 1977, a total of 67 holes were drilled for approximately 10,000 metres. Based on these historic drilling results, the SGU estimated resources up to 100m depth to be 1.7 million tonnes at 0.156% molybdenum (Mo). This historic estimate does not comply with current JORC or 43-101 international standards. At the estimated tonnage, the Munka deposit is the largest molybdenum deposit in Sweden with the available data indicating that the deposit may be significantly larger.

Beowulf has reviewed all of the available data on the Munka deposit registered at the SGU's offices at Malå, parts of which had not previously been reviewed. All drill cores presently stored at the SGU's offices are being rechecked with the analysis subject to Beowulf's control. With additional control studies in the field and some further limited drilling, Beowulf anticipates being able to rapidly achieve a JORC compliant resource estimate.

During additional field studies conducted in 2010 in the area, new drill sites were laid out and registered by the Company for a potential future drill programme.

The directors present their report together with the audited financial statements of the Group for the year ended 31 December 2010.

Principal Activity

The principal activity of the Group in the year under review was that of exploration for world-class iron, copper, gold and uranium deposits. Exploration activities are primarily carried out in Sweden, but the Group is controlled, financed and administered within the United Kingdom which remains the principal place of business.

Review Of Business

A full review of the Group's activities during the year, recent events and expected future developments are contained in the Chairman's Statement and Operating and Financial Review on pages 2 to 15. The results of the Group for the year are set out on page 25 and show a loss after taxation for the year of £474,395 (2009: £410,187 as restated).

Highlights

Ruoutevare/Kallak iron ore projects:

- Raw Materials Group's independent scoping/conceptual study confirmed that the Ruoutevare and Kallak North projects have considerable promise with a significant resource close to the surface and are amenable to open-pit mining.
- Assay results for a 32 hole drill programme on Kallak North confirmed that the deposit extends for more than 800 metres, with drill core cross sections containing between 22.2% and 43% Fe at significant widths to more than 200m below surface. More than 175m tonnes of iron ore estimated to be present at an estimated average grade of approximately 30% Fe.
- Kallak South estimated to contain more than 400 million tonnes of iron ore of a similar type and quality to that encountered on the Kallak North deposit.
- Further drilling planned on both projects in 2011.

Ballek joint venture project:

- JV partner, Energy Ventures Limited, completed its 1,601 metre drilling commitment to earn-in a 50 per cent. interest in a newly established JV holding company, Wayland Copper Limited.
- Beowulf assumed operatorship and is assessing potential further drilling targets and exploration strategies.

Corporate:

- Acquisition of three permits from Tasman Metals Limited added significant resources to the southern extensions of the Kallak project.
- Successful placings completed in March and October 2010 raising, in aggregate, £1,400,000 gross from both new and existing investors.
- Approximately £232,000 in cash held at the year end.
- £250,000 convertible loan converted in its entirety in September 2010 leaving the Group debt free with a strengthened balance sheet.
- Strong share price performance with substantial increase in the Company's market capitalisation from under £5m to £48m during the period (exceeding £100m in mid February 2011).

Dividends

No dividends will be distributed for the year ended 31 December 2010.

Events Since The End Of The Year

Information relating to events since the end of the year is given in the notes to the consolidated financial statements.

Directors

The directors during the year under review were:

Mr C Sinclair-Poulton
Dr Jan-Ola Larsson
Mr E Taylor
Mr A C R Scutt

The beneficial interests of the directors holding office on 31 December 2010 in the issued share capital of the Company were as follows:

	31.12.10	1.1.10
Ordinary 1p shares		
Mr E Taylor	250,000	250,000
Mr A C R Scutt	475,000	475,000
Dr Jan-Ola Larsson	50,000	50,000
Mr C Sinclair-Poulton	250,000	250,000

Ordinary shares under option

	Number	Exercise price	Expiry date
Mr C Sinclair-Poulton	2,500,000	5p	3 June 2012
Mr A C R Scutt	250,000	6p	3 June 2012
Mr E Taylor	250,000	6p	3 June 2012
Dr Jan-Ola Larsson	250,000	6p	3 June 2012
Mr A C R Scutt	250,000	7p	24 Sept 2015
Mr E Taylor	250,000	7p	24 Sept 2015
Dr Jan-Ola Larsson	350,000	7p	24 Sept 2015

Information On Directors

Clive Sinclair-Poulton
Executive Chairman

Aged 55, Mr Sinclair-Poulton studied law at Cambridge University graduating in 1978, before starting a twenty year career in investment banking in London with Citibank and Security Pacific (now Bank of America) as well as stockbrokers Hoare Govett. After founding and then selling a stockbroking firm Mr Sinclair-Poulton became a founding shareholder and the Executive Chairman of AIM listed themutual.net (now named Progressive Digital Media Group plc). He has been involved in natural resources for fifteen years.

More recently, Mr Sinclair-Poulton was a founding member of Tanzania Gold Ltd which, following a reverse take-over, was first renamed Tanzania Gold plc before becoming Bezant Resources plc. He was CEO of AIM listed Bezant Resources plc (AIM:BZT), with copper and gold assets in Tanzania and the Philippines, until he stepped down in February 2008. He is also Executive Chairman of PLUS listed Agricola Resources plc and currently resides in Ireland.

Jan-Ola Larsson
Technical Director

Aged 69, Dr Larsson holds a geology degree from Uppsala University and a PhD in geochemistry from Imperial College of Science and Technology, London University.

Dr Larsson has over 30 years of varied experience in Canada, Brazil and Sweden. Previously held positions include Head of Geochemistry and Geological Survey of Sweden, LKAB Exploration Company and Barringer Research Limited, and Exploration Manager for Tetron Mineracao S/A and North Star Diamonds AB.

Anthony Scutt ACIS
Non-executive Director

Non-executive Director

Aged 71, 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, working in many parts of the World, including the Malagasy Republic, East and Central Africa, Gabon, Vietnam, Cambodia, the Philippines, and latterly as the Chief Internal Auditor of Shell U.K.

Mr Scutt went on to become an investment analyst, writer and investor, and was one of the very first investors and supporters of Beowulf. He is also a non-executive director of Starvest plc, Agricola Resources plc and Non-Executive Director of Oracle Coalfields plc.

Edward Taylor
Non-executive Director and Company Secretary

Aged 63, Mr Taylor has worked in various accounting, human resources, administration and Company Secretary positions in the natural resources sector. He has worked for Hardy Oil & Gas (now British Borneo Oil and Gas plc), Enterprise Oil plc and LASMO (now AGIP (UK) plc).

Mr Taylor is a Director of All Star Minerals plc and Non-executive Director of the following companies: U3O8 Holdings Plc, Valiant Investments Plc, Valiant Financial Media Ltd and Southern Star Mineral Resources Plc. He is also company secretary for Oracle Coalfields Plc.

Group's Policy On Payment Of Creditors
It is the Group's policy to pay suppliers within their respective credit terms. At the balance sheet date trade payables outstanding represented 17 creditor days (2009 - no trade payables outstanding). Further details of the payment policy can be obtained by writing to the registered office of the Company.

Financial Instruments

The Group's financial instruments comprise cash and cash equivalents, investments and financial assets and various items such as trade receivables, trade payables, accruals and prepayments that arise directly from its operations.

The main purpose of these financial instruments is to finance the Group's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Group's financial instruments which are summarised as follows:

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

Credit Risk

The Group's principal financial assets are its cash and cash equivalents and taxation receivable as recognised in the balance sheet, and which represent the Group's maximum exposure to credit risk in relation to financial assets.

Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings in financial instruments.

Capital Management

The Company's capital consists wholly of ordinary shares. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

Commodity Price Risk

The principal activity of the Group is the exploration for iron, copper, gold and uranium in Sweden, and the principal market risk facing the Group is an adverse movement in the price of such commodities. Any long term adverse movement in commodity prices would affect the commercial viability of the Group's various projects.

Remuneration Report

Introduction

This report has been prepared in accordance with the requirements of Schedule 2 of Part 1 to the Companies Act 2006 (the Schedule) and also meets the requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the Principles of Good Governance relating to Directors' Remuneration. In accordance with Section 439 of the Companies Act 2006 (the Act), a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the Financial Statements are to be approved.

Section 495 of the Act requires the auditors to report to the Company's members on the 'auditable part' of the Directors Report and to state whether, in their opinion, that part of the report has been properly prepared in accordance with Part 3 of the Schedule. This report has therefore been divided into separate sections for unaudited and audited information.

Unaudited information

Remuneration Policy

Executive remuneration packages are prudently designed to attract, motivate and retain Directors of the necessary calibre and to reward them for enhancing value to shareholders. The performance measurement of the Executive Directors and key members of senior management and the determination of their annual remuneration packages is undertaken by the Remuneration Committee. The remuneration of Non-executive Directors is determined by the Board within limits set out in the Articles of Association.

Executive Directors are entitled to accept appointments outside the Company providing the Board's permission is sought.

Non-executive Directors' terms of engagement

The Non-executive Directors have specific terms of engagement. Their remuneration is determined by the Board. In the event that a Non-executive Director undertakes additional assignments for the Company, the Non-executive Director's fee will be agreed by the Company in respect of each assignment.

Audited information

Aggregate Directors' Remuneration

The remuneration paid to the Directors, in accordance with their service contracts and letters of appointment, during the year ended 31 December 2010 was as follows:

	Salary & fees	Pensions	Termination benefits	Share based payments	2010 Total	2009 Total
	£	£	£	£	£	£
Executive						
Mr C Sinclair-Poulton	44,250	-	-	-	44,250	18,000
Dr R D Young (1)	-	-	-	-	-	33,333
Non-executive						
Mr A C R Scutt	13,917	-	-	-	13,917	13,000
Dr J-O Larsson	-	-	-	-	-	-
Mr E Taylor	-	-	-	-	-	-
					58,167	64,333

Note - (1) resigned 5 March 2009

Corporate Governance Report

Corporate Governance and board composition

Effective corporate governance is a priority of the Board and outlined below are details of how the Company has applied the principles set out in the UK Corporate Governance Code (the "Code") effective for fully listed companies from June 2010, which replaces the Combined Code on Corporate Governance revised in July 2006 by the Financial Reporting Council. Under the rules of AIM, a market operated by the London Stock Exchange plc, the Company is not required to comply with the Code and the Board considers that the size of the Group does not warrant compliance with all of the Code's requirements. The Board fully supports the principles on which the Code is based and seeks to comply with best practice in such respects as they consider appropriate for a Group of its size and nature. The Board has a wide range of experience directly relevant to the Group and its activities and its structure ensures that no one individual or Group dominates the decision making process.

Audit Committee

The Board has established an Audit Committee which comprises Anthony Scutt and Ed Taylor, the two Non-executive Directors. The Audit Committee ensures the good operation of financial practices throughout the Group; ensures that controls are in place to protect the Group's assets and to ensure the integrity of financial information; reviews the interim and annual financial statements; reviews all aspects of the audit programme and provision of any non audit services by the auditors.

Remuneration Committee

The Board has established a Remuneration Committee, which comprises Anthony Scutt and Ed Taylor, the two Non-executive Directors, and is responsible for establishing the policies of executive remuneration and determining the remuneration and benefits of the individual executive directors. The Board is responsible for establishing the policies of remuneration and determining the remuneration and benefits of the individual non-executive directors.

Nominations Committee

The Board has not established a Nominations Committee as the Board considers that a separately established committee is not warranted and its functions and responsibilities can be adequately and efficiently discharged by the Board as a whole. The Board assess the experience, knowledge and expertise of potential directors before any appointment is made and adheres to the principle of establishing a Board comprising directors with a blend of skills, experience and attributes appropriate to the Group and its business. The main criterion for the appointment of directors is an ability to add value to the Group and its business. All directors appointed by the Board are subject to election by shareholders at the next Annual General Meeting of the Company following their appointment. The Board will review the utility of a Nominations Committee as it enters the next stage of its development, and one will be established if and when considered appropriate by the Board.

Share dealing

The Group has adopted a share dealing code for Directors and relevant employees in accordance with the AIM Rules for Companies and takes proper steps to ensure compliance by the Directors and those employees.

Relations with Shareholders

The Board recognises that it is accountable to shareholders for the performance and activities of the Group. Beowulf communicates with its shareholders principally through its web site at www.beowulfmining.net and the interim and Annual Reports. Shareholders can also sign up to receive news releases directly from the Group by email. Annual General Meetings of the Company give the directors the opportunity to report to shareholders on current and proposed operations and enable shareholders to express their views on the Group's business activities.

Principal Risks And Uncertainties Facing The Group

The principal risks faced by the Group are as follows:

- The ability to raise sufficient funds to continue with the exploration of its exploration licences/permits.
- Long term adverse changes in commodity prices could affect the viability of exploration and any future extraction projects.
- The Group's operations are in a foreign jurisdiction where there may be a number of associated risks over which it will have no control. These may include economic, social or political instability or change, taxation, rates of exchange, exchange controls and exploration licensing.
- The exploration licences held may be subject to conditions which, if not satisfied, may lead to the revocation of the licences.
- The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which undergo exploration are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities of minerals disclosed will be available to extract. With all mining operations there is uncertainty and hence risk, associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.

Substantial Shareholdings

The directors are aware of the following who were interested, directly or indirectly, in 3% or more of the Group's ordinary shares on 31 December 2010:

Sunvest Corporation Limited - 11,250,000 shares (7.04%)
Mrs C C Rowan - 10,189,485 shares (6.37%)

Statement Of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement As To Disclosure Of Information To Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, Price Bailey LLP, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Group's forthcoming Annual General Meeting.

Annual General Meeting

The Group's next Annual General Meeting will be held at 4.00pm on Thursday 30 June 2011 and full details of the proposed resolutions at that meeting can be found in the separate Notice accompanying the annual report and financial statements.

On Behalf Of The Board:

Mr E Taylor - Director
Date: 2 June 2011

We have audited the consolidated financial statements of Beowulf Mining plc Group of Companies for the year ended 31 December 2010 which comprise the Consolidated Income Statement, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Statement of Recognised Income and Expense and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent Company's affairs as at 31 December 2010 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The ability of the Company to continue to trade is dependent on the Company being able to raise sufficient funds. Based upon the current economic climate there exists a material uncertainty which may cast significant doubt as to whether the Company will be able to generate sufficient funds and therefore the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the Company was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Martin Clapson FCA (Senior Statutory Auditor)
for and on behalf of Price Bailey LLP
Chartered Accountants & Statutory Auditors
Richmond House
Ely
Cambridgeshire
CB7 4AH

Date: 2 June 2011

	Notes	2010 £	2009 £ as restated
CONTINUING OPERATIONS			
Revenue	2	-	-
Other operating income		-	75
Administrative expenses		(468,901)	(404,146)
OPERATING LOSS		(468,901)	(404,071)
Finance costs	4	(6,585)	(6,394)
Finance income	4	1,091	278
LOSS BEFORE INCOME TAX	5	(474,395)	(410,187)
Income tax	6	-	-
LOSS FOR THE YEAR		(474,395)	(410,187)
Loss attributable to:			
Owners of the parent		(474,395)	(410,187)
Earnings per share expressed in pence per share:	8		
Basic		-0.34	-0.45
Diluted		-0.33	-0.43

Consolidated Statement Of Comprehensive Income For The Year Ended 31 December 2010

	Note	2010 £	2009 £ as restated
LOSS FOR THE YEAR		(474,395)	(410,187)
OTHER COMPREHENSIVE INCOME			
Revaluation of listed investments		(3,760)	70,685
Equity-settled share-based payments		23,520	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		19,760	70,685
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(454,635)	(339,502)
Prior year adjustment	9	459,872	278,182
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		5,237	(61,320)
Total comprehensive income attributable to:			
Owners of the parent		5,237	(61,320)
Non-controlling interests		-	-

	Notes	2010 £	2009 £ as restated	2008 £ as restated
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	10	1,327,892	663,888	509,086
Property, plant and equipment	11	810	1,079	1,439
Investments	12	161,264	155,024	74,339
Loans and other financial assets	13	20,000	-	-
		1,509,966	819,991	584,864
CURRENT ASSETS				
Trade and other receivables	14	342,760	22,595	33,954
Cash and cash equivalents	15	232,589	190,332	354,291
		575,349	212,927	388,245
TOTAL ASSETS		2,085,315	1,032,918	973,109
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	16	1,597,966	1,058,982	808,982
Share premium	17	3,904,399	2,847,719	2,597,191
Revaluation reserve	17	36,264	40,024	(30,661)
Capital contribution reserve	17	46,451	46,451	46,451
Share scheme reserve	17	28,871	5,351	5,879
Retained earnings	17	(3,611,606)	(3,137,211)	(2,727,024)
TOTAL EQUITY		2,002,345	861,316	700,818
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial liabilities - borrowings				
Interest bearing loans and borrowings	19	-	150,000	250,000
CURRENT LIABILITIES				
Trade and other payables	18	82,970	21,602	22,291
TOTAL LIABILITIES		82,970	171,602	272,291
TOTAL EQUITY AND LIABILITIES		2,085,315	1,032,918	973,109

The financial statements were approved and authorised for issue by the Board of Directors on
2 June 2011 and were signed on its behalf by:

Mr E Taylor - Director

Beowulf Mining Plc Group of Companies (Registered Number: 02330496)

Company Statement Of Financial Position For The Year Ended 31 December 2009

	Notes	2010 £	2009 £ as restated	2008 £ as restated
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	10	1,116,321	663,888	509,086
Property, plant and equipment	11	810	1,079	1,439
Investments	12	412,028	155,024	74,339
Loans and other financial assets	13	29,658	-	-
		1,558,817	819,991	584,864
CURRENT ASSETS				
Trade and other receivables	14	339,029	22,595	33,954
Cash and cash equivalents	15	232,589	190,332	354,291
		571,618	212,927	388,245
TOTAL ASSETS		2,130,435	1,032,918	973,109
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	16	1,597,966	1,058,982	808,982
Share premium	17	3,904,399	2,847,719	2,597,191
Revaluation reserve	17	36,264	40,024	(30,661)
Capital contribution reserve	17	46,451	46,451	46,451
Share scheme reserve	17	28,871	5,351	5,879
Retained earnings	17	(3,566,586)	(3,137,211)	(2,727,024)
TOTAL EQUITY		2,047,365	861,316	700,818
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial liabilities - borrowings				
Interest bearing loans and borrowings	19	-	150,000	250,000
CURRENT LIABILITIES				
Trade and other payables	18	83,070	21,602	22,291
TOTAL LIABILITIES		83,070	171,602	272,291
TOTAL EQUITY AND LIABILITIES		2,130,435	1,032,918	973,109

The financial statements were approved and authorised for issue by the Board of Directors on 2 June 2011and were signed on its behalf by:

Mr E Taylor - Director

	Called up share capital £	Profit and loss account £	Share premium £
Balance at 1 January 2009 – as previously reported	808,982	(3,005,206)	2,597,191
Prior year adjustment	-	278,182	-
As restated	808,982	(2,727,024)	2,597,191
Changes in equity			
Issue of share capital	250,000	-	250,528
Total comprehensive income	-	(410,187)	-
Balance at 31 December 2009 – as restated	1,058,982	(3,137,211)	2,847,719
Balance at 1 January 2009 – as previously reported	1,058,982	(3,597,083)	2,847,719
Prior year adjustment	-	459,872	-
As restated	1,058,982	(3,137,211)	2,847,719
Changes in equity			
Issue of share capital	538,984	-	1,056,680
Total comprehensive income	-	(474,395)	-
Balance at 31 December 2010	1,597,966	(3,611,606)	3,904,399

Consolidated Statement Of Changes In Equity For The Year Ended 31 December 2010

	Revaluation reserve £	Capital contribution reserve £	Share scheme reserve £	Total equity £
Balance at 1 January 2009				
– as previously reported	(30,661)	46,451	5,879	422,636
Prior year adjustment	-	-	-	278,182
As restated	(30,661)	46,451	5,879	700,818
Changes in equity				
Issue of share capital	-	-	-	500,528
Total comprehensive income	70,685	-	(528)	(340,030)
Balance at 31 December 2009				
– as restated	40,024	46,451	5,351	861,316
Balance at 1 January 2009				
– as previously reported	40,024	46,451	5,351	401,444
Prior year adjustment	-	-	-	459,872
As restated	40,024	46,451	5,351	861,316
Changes in equity				
Issue of share capital	-	-	-	1,595,664
Total comprehensive income	(3,760)	-	23,520	(454,635)
Balance at 31 December 2010	36,264	46,451	28,871	2,002,345

	Called up share capital £	Profit and loss account £	Share premium £
Balance at 1 January 2009 – as previously reported	808,982	(3,005,206)	2,597,191
Prior year adjustment	-	278,182	-
As restated	808,982	(2,727,024)	2,597,191
Changes in equity			
Issue of share capital	250,000	-	250,528
Total comprehensive income	-	(410,187)	-
Balance at 31 December 2009 – as restated	1,058,982	(3,137,211)	2,847,719
Balance at 1 January 2009 – as previously reported	1,058,982	(3,597,083)	2,847,719
Prior year adjustment	-	459,872	-
As restated	1,058,982	(3,137,211)	2,847,719
Changes in equity			
Issue of share capital	538,984	-	1,056,680
Total comprehensive income	-	(429,375)	-
Balance at 31 December 2010	1,597,966	(3,566,586)	3,904,399

Consolidated Statement Of Changes In Equity For The Year Ended 31 December 2010

	Revaluation reserve £	Capital contribution reserve £	Share scheme reserve £	Total equity £
Balance at 1 January 2009				
- as previously reported	(30,661)	46,451	5,879	422,636
Prior year adjustment	-	-	-	278,182
As restated	(30,661)	46,451	5,879	700,818
Changes in equity				
Issue of share capital	-	-	-	500,528
Total comprehensive income	70,685	-	(528)	(340,030)
Balance at 31 December 2009				
- as restated	40,024	46,451	5,351	861,316
Balance at 1 January 2009				
- as previously reported	40,024	46,451	5,351	401,444
Prior year adjustment	-	-	-	459,872
As restated	40,024	46,451	5,351	861,316
Changes in equity				
Issue of share capital	-	-	-	1,595,664
Total comprehensive income	(3,760)	-	23,520	(409,615)
Balance at 31 December 2010	36,264	46,451	28,871	2,047,365

	Notes	2010 £	2009 £ as restated
Cash flows from operating activities			
Cash generated from operations	1	(590,118)	(383,522)
Interest paid		(9,085)	(8,061)
Net cash from operating activities		(599,203)	(391,583)
Cash flows from investing activities			
Purchase of intangible fixed assets		(664,484)	(162,654)
Purchase of fixed asset investments		(10,000)	(10,000)
Sale of intangible fixed assets		40,660	-
Loans to related parties		(150,888)	-
Convertible loan note issued		(20,000)	-
Interest received		508	278
Net cash from investing activities		(804,204)	(172,376)
Cash flows from financing activities			
New loans in year		100,000	-
Loan repayments in year		(250,000)	(100,000)
Share issue		1,675,664	500,000
Cost of share issue		(80,000)	-
Net cash from financing activities		1,445,664	400,000
Increase/(Decrease) in cash and cash equivalents		42,257	(163,959)
Cash and cash equivalents at beginning of year	2	190,332	354,291
Cash and cash equivalents at end of year	2	232,589	190,332

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2010 £	2009 £ as restated
Loss before income tax	(474,395)	(410,187)
Depreciation charges	269	360
Profit on disposal of fixed assets	(40,660)	-
Equity-settled share-based transactions	23,520	-
Impairment of exploration costs	9,051	7,852
Finance costs	6,585	6,394
Finance income	(1,091)	(278)
	(476,721)	(395,859)
(Increase)/Decrease in trade and other receivables	(168,694)	11,359
Increase in trade and other payables	55,297	978
Cash generated from operations	(590,118)	(383,522)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect
of cash and cash equivalents are in respect of these statement of financial position amounts:

Year ended 31 December 2010

	31/12/10 £	1/1/10 £
Cash and cash equivalents	232,589	190,332

Year ended 31 December 2009

	31/12/09 £	1/1/09 as restated £
Cash and cash equivalents	190,332	354,291

1. ACCOUNTING POLICIES

Reporting entity
Beowulf Mining plc is a company domiciled in the United Kingdom. The address of the Company's registered office is Richmond House, Broad Street, Ely, Cambridgeshire, CB7 4AH. The Group is primarily involved in the exploration for world-class iron, copper, gold and uranium deposits.

Going concern
The directors have considered the cashflow requirements of the Group over the next 18 months. If the Group is to continue all of its planned exploration activities it will be necessary to raise additional funds. Whilst it is difficult in the current economic climate to generate the extra funds required, the directors expect to meet the funding requirements as and when required and therefore believe that the going concern basis is appropriate for the preparation of the financial statements.

Compliance with accounting standards
These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

Significant accounting judgements, estimates and assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the balance sheet date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of any impairment on intangible assets and the estimation of share-based payment costs. The Group determines whether there is any impairment of intangible assets on an annual basis. The estimation of share-based payment costs requires the selection of an appropriate model, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Business acquisitions have been accounted for in accordance with IFRS 3, 'Business Combinations'. Fair values are attributed to the Group's share of net assets. Where the cost of acquisition exceeds the fair values attributed to such assets, the difference is treated as purchased goodwill and is capitalised. In the case of subsequent acquisitions of minority interests, the difference between the consideration payable for the additional interest in the subsidiary and the minority interest's share of the assets and liabilities reflected in the consolidated balance sheet at the date of acquisition of the minority interest has been treated as goodwill.

Interests in jointly controlled entities are accounted for using proportionate consolidation in accordance with IAS 31, 'Financial Reporting of Interests in Joint Ventures'. The consolidated Statement of Financial Position of the venturer includes the proportionate share of the assets that it controls jointly and its share of the liabilities for which it is jointly liable. The Income Statement of the venturer includes its share of income and expenses of the jointly controlled entity.

Following a review of the policy, the directors have decided that to prepare financial statements which are consistent with the rest of the business sector, it should adopt the option under IFRS6 to carry forward all exploration costs for each area of interest until the exploration and evaluation phase is complete. The costs will then be amortised over the expected period of extraction of minerals from the each area of interest.

The costs will be subject to an annual impairment review to make provision and write off the costs to the income statement when an area of interest is abandoned or is considered to have a value lower than cost.

Changes in accounting policies

The Group has changed its accounting policy in respect of the accounting treatment of 'exploration for and evaluation of mineral resources' as covered by International Financial Reporting Standard 6 (IFRS6). Previously, the Group had amortised exploration costs over the minimum period of each licence and carried out an annual impairment review to determine whether any further provision was required for decreases in value.

Following a review of this policy, the directors have decided that to prepare financial statements which are consistent with the rest of its business sector, it should adopt the option under IFRS6 to carry forward all exploration costs for each area of interest until the exploration and evaluation phase is complete. The costs will then be amortised over the expected period of extraction of minerals from the each area of interest.

The costs will be subject to an annual impairment review to make provision and write off costs to the income statement when an area of interest is abandoned or is considered to have a value lower than cost.

Prior year adjustments have been made in respect of the change of policy.

Intangible fixed assets - exploration costs

Expenditure on acquisition costs, exploration and evaluation of interests in licences including related overheads is capitalised. Such costs are carried forward in the balance sheet under intangible assets and amortised over the expected period of extraction of minerals 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 whether necessary provisions are required to be made accordingly.

Accumulated costs in respect of areas of interest that have been abandoned are written off to the income statement in the year in which the area is abandoned.

Exploration costs are carried at cost less provisions for impairment.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 25% on reducing balance

Investments

Fixed asset investments in listed companies are stated at open market value. The revaluation adjustment is taken to the revaluation reserve and any impairments are shown in the income statement for the year.

Fixed asset investments in subsidiary undertakings and joint venture interests are stated at cost less provision for any impairment in value.

Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

- Cash and cash equivalents comprise cash held at bank and short term deposits
- Trade payables are not interest bearing and are stated at their nominal value
- Equity instruments issued by the Group are recorded at the proceeds received except where those proceeds appear to be less than the fair value of the equity instruments issued, in which case the equity instruments are recorded at fair value. The difference between the proceeds received and the fair value is reflected in the share based payments reserve.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

The principal place of business of the Group is the United Kingdom with sterling being the functional currency. Exploration costs are mainly payable in Swedish Kronor and funds are converted to Kronor as required.

Share-based payment transactions

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of all options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement or share premium account if appropriate, are charged with the fair value of goods and services received.

Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and bank balances.

New Standards and Interpretations applied

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements:

- IFRS 3 Business Combinations (amended 2008) has been adopted in these financial statements following the acquisition of a subsidiary and an interest is a joint venture company.

New Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements:

- IAS 1 Presentation of Financial Statements (revised 2009) - annual review of IFRSs
- IAS 7 Statement of Cash Flows (revised 2009) - annual review of IFRSs
- IAS 17 Leases (amended 2009) - annual review of IFRSs
- IAS 36 Impairment of Assets (amended 2009) - annual review of IFRSs
- IAS 39 Financial Instruments (amended 2008) - amendments for eligible hedged items
- IAS 39 Financial Instruments (amended 2009) - amendments for embedded derivatives and the annual review of IFRSs
- IFRS 2 Share-based Payments (amended 2009) - amendments relating to the annual review of IFRSs and group cash-settled share-based payment transactions
- IFRS 3 Business Combinations (amended 2008) - comprehensive revision on applying the acquisition method
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (amended 2008) - annual review of IFRSs
- IFRS 3 Non-current Assets Held for Sale and Discontinued Operations (amended 2009) - annual review of IFRSs
- IFRS 8 Operating Segments (amended 2009) - annual review of IFRSs
- IFRIC 9 Reassessment of Embedded Derivatives - annual review of IFRSs
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation - annual review of IFRSs
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year commencing 1 January 2010 and have not been applied in preparing these financial statements:

- IAS 1 Presentation of Financial Statements (amended 2010)
- IAS 12 Income Taxes (amended 2010)
- IAS 24 Related Party Disclosures (amended 2009)
- IAS 27 Consolidated and Separate Financial Statements (amended 2010)
- IAS 32 Financial Instruments (amended 2010)
- IAS 34 Interim Financial Reporting (amended 2010)
- IFRS 3 Business Combinations (amended 2010)
- IFRS 7 Financial Instruments (amended 2010)
- IFRS 9 Financial Instruments (amended 2009)
- IFRIC 13 Customer Loyalty Programmes (amended 2010)
- IFRIC 14 AS19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (amended 2009)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The directors do not consider that the implementation of any of these new standards will have a material impact upon reported income or reported net assets.

2. SEGMENTAL REPORTING

The principal activity of the Group is the exploration for minerals in Sweden. All expenses are in respect of this one activity and there are no business segments requiring separate disclosure.

3. EMPLOYEES AND DIRECTORS

	2010	2009 as restated
	£	£
Wages and salaries	58,167	39,333
Social security costs	5,982	3,783
Equity-settled share-based payment transactions	23,520	-
	87,669	43,116

The average monthly number of employees during the year was as follows:

Directors	4	4

	2010	2009 as restated
	£	£
Directors' remuneration	58,167	39,333
Compensation to director for loss of office	-	25,000

4. NET FINANCE COSTS

	2010	2009 as restated
	£	£
Finance income:		
Deposit account interest	508	278
Other interest	583	-
	1,091	278
Finance costs:		
Loan interest	6,585	6,394
Net finance costs	5,494	6,116

5. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

	2010	2009 as restated
	£	£
Depreciation - owned assets	269	360
Profit on disposal of fixed assets	(40,660)	-
Auditors' remuneration	11,800	9,400
Foreign exchange differences	24,809	6,403
Impairment of exploration costs	9,051	7,852

6. INCOME TAX

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010 nor for the year ended 31 December 2009.

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.
The difference is explained below:

	2010	2009 as restated
	£	£
Loss on ordinary activities before tax	(474,395)	(410,187)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(132,831)	(114,852)
Effects of:		
Potential deferred taxation on tax adjusted loss for the year	121,420	114,873
Non-taxable income	-	(21)
Profit on disposal of asset to joint venture company	11,411	-
Total income tax	-	-

Tax effects relating to effects of other comprehensive income

	Gross	2010 Tax	Net
Revaluation of listed investments	(3,760)	-	(3,760)
Equity-settled share-based payments	23,520	-	23,520
	19,760	-	19,760

	Gross	2009 Tax	Net
Revaluation of listed investments	70,685	-	70,685
	70,685	-	70,685

The Group has estimated losses of £2,158,666
(2009 - £1,728,876 as restated) available to carry forward against future trading profits.

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year was £(429,375) (2009: £(410,187)).

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £	2010 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(474,395)	141,019,677	-0.34
Effect of dilutive securities			
Options	-	3,478,219	-
Diluted EPS			
Adjusted earnings	(474,395)	144,497,896	-0.33

	Earnings £	2009 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(410,187)	92,131,124	-0.45
Effect of dilutive securities			
Options	-	3,516,301	-
Diluted EPS			
Adjusted earnings	(410,187)	95,647,425	-0.43

9. PRIOR YEAR ADJUSTMENT

The Company has changed its accounting policy to fully adopt the provisions of IFRS 6 - Exploration for and Evaluation of Mineral Resources. The result of the change of accounting policy is that amortisation of exploration costs previously charged to the income statement need to be removed and the value of intangible assets on the statement of financial position need to be revised.

Prior year adjustments are therefore required for the years ended 31 December 2008 and 2009 to re-state the amount of amortisation and impairment charged in the years as follows:

	2009 £	2008 £
Re-stated figures		
Impairment of exploration costs	7,852	-
As previously reported		
Amortisation	189,542	74,725
Adjustment required	181,690	74,725
Previous prior year adjustment	278,182	203,457
Prior year adjustments	459,872	278,182

The effect of the prior year adjustments on individual lines in the previous financial statements is to reduce expenses and the loss for the year, and increase the intangible assets and retained earnings as follows:

	2009 adjustment £	2008 adjustment £
Income statement		
Administrative expenses	181,690	74,725
Loss for the year	181,690	74,725
Statement of financial position		
Intangible assets	181,690	74,725
Total assets	181,690	74,725
Retained earnings	181,690	74,725
Total equity	181,690	74,725

As a result of the prior year adjustments the earnings per share expressed in pence per share are as follows:

	2009 £	2008 £
Re-stated figures		
Basic	-0.45	-0.41
Diluted	-0.43	-0.38
Previously reported		
Basic	-0.64	-0.50
Diluted	-0.62	-0.47

10. INTANGIBLE ASSETS

Group

	Exploration costs £
COST	
At 1 January 2010	663,888
Additions	673,055
Impairments	(9,051)
At 31 December 2010	1,327,892
NET BOOK VALUE	
At 31 December 2010	1,327,892

	Exploration costs £
COST	
At 1 January 2009	509,086
Additions	162,654
Impairments	(7,852)
At 31 December 2009	663,888
NET BOOK VALUE	
At 31 December 2009	663,888

Company

	Exploration costs £
COST	
At 1 January 2010	663,888
Additions	601,314
Disposals	(143,680)
Impairments	(5,201)
At 31 December 2010	1,116,321
NET BOOK VALUE	
At 31 December 2010	1,116,321

10. INTANGIBLE ASSETS - continued

Company

	Exploration costs £
COST	
At 1 January 2009	509,086
Additions	162,654
Impairments	(7,852)
At 31 December 2009	663,888
NET BOOK VALUE	
At 31 December 2009	663,888

The impairment of exploration costs is charged to administration and included within the income statement as an expense.

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Plant and machinery £
COST	
At 1 January 2010 and 31 December 2010	3,217
DEPRECIATION	
At 1 January 2010	2,138
Charge for year	269
At 31 December 2010	2,407
NET BOOK VALUE	
At 31 December 2010	810

	Plant and machinery £
COST	
At 1 January 2009 and 31 December 2009	3,217
DEPRECIATION	
At 1 January 2009	1,778
Charge for year	360
At 31 December 2009	2,138
NET BOOK VALUE	
At 31 December 2009	1,079

11. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Plant and machinery £
COST	
At 1 January 2010 and 31 December 2010	3,217
DEPRECIATION	
At 1 January 2010	2,138
Charge for year	269
At 31 December 2010	2,407
NET BOOK VALUE	
At 31 December 2010	810

	Plant and machinery £
COST	
At 1 January 2009 and 31 December 2009	3,217
DEPRECIATION	
At 1 January 2009	1,778
Charge for year	360
At 31 December 2009	2,138
NET BOOK VALUE	
At 31 December 2009	1,079

12. INVESTMENTS

Group

	Listed investments £
COST OR VALUATION	
At 1 January 2010	155,024
Additions	10,000
Revaluations	(3,760)
At 31 December 2010	161,264
NET BOOK VALUE	
At 31 December 2010	161,264

12. INVESTMENTS - continued

Group

	Listed investments £
COST OR VALUATION	
At 1 January 2009	74,339
Additions	10,000
Revaluations	70,685
At 31 December 2009	155,024
NET BOOK VALUE	
At 31 December 2009	155,024

Company

	Shares in group undertakings £	Interest in joint venture £	Listed investments £	Totals £
COST OR VALUATION				
At 1 January 2010	-	-	155,024	155,024
Additions	25,764	225,000	10,000	260,764
Revaluations	-	-	(3,760)	(3,760)
At 31 December 2010	25,764	225,000	161,264	412,028
NET BOOK VALUE				
At 31 December 2010	25,764	225,000	161,264	412,028

	Listed investments £
COST OR VALUATION	
At 1 January 2009	74,339
Additions	10,000
Revaluations	70,685
At 31 December 2009	155,024
NET BOOK VALUE	
At 31 December 2009	155,024

12. INVESTMENTS - continued

Company

The Group or the Company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary

Iron of Sweden Limited
Nature of business: Exploration for minerals

	%	
Class of shares:	holding	
Ordinary	100.00	
		2010
		£
Aggregate capital and reserves		100

During the year Beowulf Mining plc acquired 100% of the issued share capital of Iron of Sweden Limited in order to obtain the exploration permits held by the Company. Beowulf Mining plc also granted a 1.5% net smelter royalty to the vendor on any and all future mineral or metal production from the permits, plus any subsequent permits or leases that are issued to Beowulf Mining plc, its subsidiaries or associated parties covering all or part of the area covered by the original permits.

The investment in the share capital of Iron of Sweden Limited amounted to £25,764.

Joint Venture

Wayland Copper Limited
Nature of business: Exploration for minerals

	%	
Class of shares:	holding	
Ordinary	50.00	
		31/3/11
		£
Aggregate capital and reserves		448,979
Loss for the period/year		(1,021)

Wayland Copper Limited is a Joint Venture company held 50% by Beowulf Mining plc and 50% by Energy Ventures Limited, a company incorporated in Australia.

The Joint Venture company was formed to continue the exploration of the Ballek region in Sweden, with Beowulf Mining plc transferring its licences and exploration costs and Energy Ventures Limited transferring its drilling costs in return for £225,000 equity each in Wayland Copper Limited.

The investment in share capital for the 50% holding amounted to £225,000.

13. LOANS AND OTHER FINANCIAL ASSETS

Group

	Other loans £
New in year	20,000
At 31 December 2010	20,000

During the year Beowulf Mining plc made a loan of £20,000 to Agricola Resources plc under terms set out in a convertible loan note, whereby the loan accrues interest at 3% above the Bank of England Base Rate and is convertible into ordinary shares of Agricola at par until 28 February 2013. The loan is secured on Agricola's interest in a joint venture it holds with L'Office des Hydrocarbures at des Mines in Morocco.

During the year Beowulf Mining plc entered into a joint venture agreement with Energy Ventures Limited, initially holding 50% each.

Under the terms of the agreement a quarterly work programme and budget is prepared by the Operator and submitted to the board of directors of Wayland Copper Limited for approval. Following approval, a written funding notice is issued to Beowulf Mining plc and Energy Ventures Limited showing the amount of funding which is required from them in order to finance the budget and work programme.

If a party elects to provide the requested funding they must do so within a predetermined time frame as set out in the joint venture agreement, or be deemed to have elected not to contribute to the requested funding. If a party does not elect to contribute to the requested funding, the other party shall be given the option of contributing such shortfall, in which case the parties respective interest in Wayland Copper Limited will be adjusted in accordance with the agreement.

In the event that either party's interest in Wayland Copper Limited falls to 10% or less, the interest will automatically convert to a 2% 'Net Smelter Return'. The remaining party will then have the option to acquire the Net Smelter Return by serving an Option Notice and proposing an acquisition price. The offer can either be accepted or referred to an independent expert for a final and binding valuation of the Net Smelter Return.

. **Company**

	Loans to joint ventures £	Other loans £	Totals £
New in year	9,658	20,000	29,658
At 31 December 2010	9,658	20,000	29,658

The loans of £9,658 to joint ventures are in respect of funding notices issued by Wayland Copper Limited at the balance sheet date as detailed above.

Other loans of £20,000 made during the year are under the terms of a convertible loan note and are as detailed above.

14. TRADE AND OTHER RECEIVABLES

	Group 2010 £	2009 as restated £	Company 2010 £	2009 as restated £
Current:				
Other receivables	164,346	-	160,615	-
VAT	149,815	14,153	149,815	14,153
Prepayments and accrued income	28,599	8,442	28,599	8,442
	342,760	22,595	339,029	22,595

15. CASH AND CASH EQUIVALENTS

	Group 2010 £	2009 as restated £	Company 2010 £	2009 as restated £
Bank deposit account	227,559	184,846	227,559	184,846
Bank accounts	5,030	5,486	5,030	5,486
	232,589	190,332	232,589	190,332

16. CALLED UP SHARE CAPITAL

	2010 £	2009 £
Allotted, issued and fully paid		
159,796,689 (2009 - 105,898,247) Ordinary shares of 1p each	1,597,966	1,058,982

40,000,000 Ordinary shares of 1p each were allotted as fully paid at a premium of 1.5p per share during the year.

691,921 Ordinary shares of 1p each were allotted as fully paid at a premium of 2.71p per share during the year in a share for share exchange to acquire 100% of the share capital of Iron of Sweden Limited.

6,250,000 Ordinary shares of 1p each were allotted as fully paid at a premium of 3p per share during the year in respect of the conversion of a convertible loan to equity.

6,956,521 Ordinary shares of 1p each were allotted as fully paid at a premium of 4.75p per share during the year.

The number of shares in issue is as follows:	2010 No.	2009 No.
At 1 January 2010	105,898,247	80,898,247
Issued during the year	53,898,442	25,000,000
At 31 December 2010	159,796,689	105,898,247

17. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 January 2010	(3,597,083)	2,847,719	40,024
Prior year adjustment	459,872		
	(3,137,211)		
Deficit for the year	(474,395)		
Cash share issue	-	1,136,680	-
Revaluation in year	-	-	(3,760)
Cost of share issue	-	(80,000)	-
At 31 December 2010	(3,611,606)	3,904,399	36,264

Group

	Capital contribution reserve £	Share scheme reserve £	Totals £
At 1 January 2010	46,451	5,351	(657,538)
Prior year adjustment			459,872
			(197,666)
Deficit for the year			(474,395)
Cash share issue	-	-	1,136,680
Revaluation in year	-	-	(3,760)
Cost of share issue	-	-	(80,000)
Equity-settled share-based payment transactions	-	23,520	23,520
At 31 December 2010	46,451	28,871	404,379

Group

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 January 2009	(3,005,206)	2,597,191	(30,661)
Prior year adjustment	278,182		
	(2,727,024)		
Deficit for the year	(410,187)		
Cash share issue	-	250,000	-
Revaluation in year	-	-	70,685
Equity-settled share-based payment transactions	-	528	-
At 31 December 2009	(3,137,211)	2,847,719	40,024

17. RESERVES - continued

Group

	Capital contribution reserve £	Share scheme reserve £	Totals £
At 1 January 2009	46,451	5,879	(386,346)
Prior year adjustment			278,182
			(108,164)
Deficit for the year			(410,187)
Cash share issue	-	-	250,000
Revaluation in year	-	-	70,685
Equity-settled share-based payment transactions	-	(528)	-
At 31 December 2009	46,451	5,351	(197,666)

Company

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 January 2010	(3,597,083)	2,847,719	40,024
Prior year adjustment	459,872		
	(3,137,211)		
Deficit for the year	(429,375)		
Cash share issue	-	1,136,680	-
Revaluation in year	-	-	(3,760)
Cost of share issue	-	(80,000)	-
At 31 December 2010	(3,566,586)	3,904,399	36,264

Company

	Capital contribution reserve £	Share scheme reserve £	Totals £
At 1 January 2010	46,451	5,351	(657,538)
Prior year adjustment			459,872
			(197,666)
Deficit for the year			(429,375)
Cash share issue	-	-	1,136,680
Revaluation in year	-	-	(3,760)
Cost of share issue	-	-	(80,000)
Equity-settled share-based payment transactions	-	23,520	23,520
At 31 December 2010	46,451	28,871	449,399

17. RESERVES - continued

Company

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 January 2009	(3,005,206)	2,597,191	(30,661)
Prior year adjustment	278,182		
	(2,727,024)		
Deficit for the year	(410,187)		
Cash share issue	-	250,000	-
Revaluation in year	-	-	70,685
Equity-settled share-based payment transactions	-	528	-
At 31 December 2009	(3,137,211)	2,847,719	40,024

Company

	Capital contribution reserve £	Share scheme reserve £	Totals £
At 1 January 2009	46,451	5,879	(386,346)
Prior year adjustment			278,182
			(108,164)
Deficit for the year			(410,187)
Cash share issue	-	-	250,000
Revaluation in year	-	-	70,685
Equity-settled share-based payment transactions	-	(528)	-
At 31 December 2009	46,451	5,351	(197,666)

18. TRADE AND OTHER PAYABLES

	Group 2010 £	2009 as restated £	Company 2010 £	2009 as restated £
Current:				
Trade payables	55,538	-	55,538	-
Social security and other taxes	2,978	1,778	2,978	1,778
Other payables	-	-	100	-
Accruals and deferred income	24,454	19,824	24,454	19,824
	82,970	21,602	83,070	21,602

19. FINANCIAL LIABILITIES - BORROWINGS

	Group 2010 £	Group 2009 as restated £	Company 2010 £	Company 2009 as restated £
Non-current:				
Other loans - 1-2 years	-	150,000	-	150,000

20. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents, investments and financial assets and various items such as trade receivables, trade payables, accruals and prepayments that arise directly from its operations.

The main purpose of these financial instruments is to finance the Group's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Group's financial instruments which are summarised as follows

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

The following tables illustrate the contractual maturity profiles of its financial liabilities as at 31 December:

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Current:				
Trade and other payables	55,538	-	55,538	-
Tax liabilities	2,978	1,778	2,978	1,778
Other payables	-	-	100	-
Accruals and deferred income	24,454	19,824	24,454	19,824
	82,970	21,602	83,070	21,602
Non-current: Other loans	-	150,000	-	150,000
	82,970	171,602	83,070	171,602

Credit Risk

The Group's principal financial assets are the cash and cash equivalents and taxation receivable as recognised in the balance sheet, and which represent the Group's maximum exposure to credit risk in relation to financial assets.

Capital Management

The Company's capital consists wholly of ordinary shares. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings in financial instruments.

Commodity Price Risk

The principal activity of the Group is the exploration for iron, copper, gold and uranium in Sweden, and the principal market risk facing the Group is an adverse movement in the price of such commodities. Any long term adverse movement in commodity prices would affect the commercial viability of the Group's various projects.

21. RELATED PARTY DISCLOSURES

During the year the Group paid Tearne Foulsham Limited fees and expenses amounting to £30,877 (2009: £20,400). Mr E Taylor is a director and shareholder of this company. No amounts were outstanding at the year end (2009: £Nil).

During the year the Group paid exploration fees of £227,801 (2009: £56,511) to Geoexperten, a business owned by Dr Jan-Ola Larsson. Further fees paid to Dr Jan-Ola Larsson during the year amounted to £45,000 (2009: £45,000). No amounts were outstanding at the year end (2009: £Nil).

During the year the Group paid consultancy fees of £Nil (2009: £26,375) to Mr Clive Sinclair-Poulton and consultancy fees and expenses of £38,055 (2009: £Nil) to Merchant Adventurers Company Limited. Mr Clive Sinclair-Poulton is a director and shareholder of this company.

At the start of the year the Group had a loan outstanding of £150,000 from Starvest plc, an AIM listed company which was a major shareholder of Beowulf Mining plc and of which Mr A C R Scutt is a director. Under the terms of the loan, interest was chargeable at 4% and it was convertible into new ordinary shares of Beowulf Mining plc at any time up to 31 July 2012.

During the year the loan was increased to £250,000 and on 16 September 2010 Starvest plc exercised its right to convert the loan into equity, thereby receiving 6,250,000 ordinary shares of Beowulf Mining plc at an exercise price of 4p per share. The interest charge for the year is £6,585 (2009: £6,394) and no amounts were outstanding at the year end (2009: £2,500 included in trade and other payables).

The Group has provided funding of £150,888 during the year to Agricola Resources plc, a PLUS listed company of which Mr A C R Scutt and Mr C Sinclair-Poulton are also directors. The loans of £150,888 were outstanding at the year end and are included in other receivables (2009: £Nil) They do not attract any interest and are repayable on demand. In addition, a further £20,000 was loaned under the terms of a convertible loan note which accrues interest at 3% above the Bank of England Base Rate and is convertible into ordinary shares in Agricola at par until 28 February 2013.

Key management personnel compensation

The directors' and key management personnel of the Group during the year were are follows:
Mr C Sinclair-Poulton (Executive Chairman)
Dr J-O Larsson (Technical director)
Mr A C R Scutt (Non-executive director)
Mr E Taylor (Non-executive director and company secretary)

The aggregate compensation paid to key management personnel of the Group is set out below:

	2010	2009
	£	£
Short-term employee benefits	58,167	39,333
Post-employment benefits	-	-
Termination benefits	-	25,000
Share-based benefits	-	-
	58,167	64,333

Details of key management personnel's compensation are disclosed in the Remuneration Report included in the Report of the Directors.

Key management personnel's equity holdings

Details of key management personnel's beneficial interests in the fully paid Ordinary shares of the Company and share options held are unchanged during the year and are disclosed in the Report of the Directors.

22 POST BALANCE SHEETS

Further to a share placement on 6 May 2011, the Company raised £1,090,000 (before expenses) from the placement of 2,422,221 new ordinary shares at a placing price of 45p per share. Share capital of £24,222 (2,422,221 shares of 1p nominal value each) was subsequently admitted to trading on AIM on 13 May 2011 and the total share premium of £1,065,778 was recorded.

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2010	2009 as restated
	£	£
Loss for the financial year	(474,395)	(410,187)
Proceeds of share issues	1,675,664	500,000
Equity-settled share-based payments	23,520	-
Revaluation of listed investments	(3,760)	70,685
Cost of share issue	(80,000)	-
Net addition to shareholders' funds	1,141,029	160,498
Opening shareholders' funds (originally £401,444 before prior year adjustment of £459,872)	861,316	700,818
Closing shareholders' funds	2,002,345	861,316

Company

	2010	2009 as restated
	£	£
Loss for the financial year	(429,375)	(410,187)
Proceeds of share issues	1,675,664	500,000
Equity-settled share-based transactions	23,520	-
Revaluation of listed investments	(3,760)	70,685
Cost of share issue	(80,000)	-
Net addition to shareholders' funds	1,186,049	160,498
Opening shareholders' funds (originally £401,444 before prior year adjustment of £459,872)	861,316	700,818
Closing shareholders' funds	2,047,365	861,316

24. SHARE-BASED PAYMENT TRANSACTIONS

The Group has a share option programme that entitles the holders to purchase shares in the Company with the options exercisable at the price determined at the date of granting the option. The terms and conditions of the grants are as follows; there are no vesting conditions to be met and all options are to be settled by the issue of shares:

Grant date	Number of instruments	Contractual life of options
5 June 2008	3,250,000	4 years
24 September 2010	850,000	5 years
Options outstanding at 31 December	4,100,000	

The number and weighted average exercise prices of share options is as follows:

	Weighted average exercise price 2010	Number of options 2010	Weighted average exercise price 2009	Number of options 2009
Outstanding at 1 January	5.3151p	3,250,000	5.3151p	3,650,000
Expired during the year	-	-	6.0000p	(400,000)
Exercised during the year	-	-	-	-
Granted during the year	7.0000p	850,000	-	-
Outstanding and exercisable at 31 December	5.5976p	4,100,000	5.2308p	3,250,000

No share options were exercised during the current or previous year. During the year no option expired (2009: 400,000 options expired unexercised with a weighted average exercise price of 6p). The options outstanding at 31 December 2010 have an exercise price in the range of 5p to 7p (2009: 5p to 6p) and a weighted average remaining contractual life of 2.111 years (2009: 2.425 years).

The fair value of services received and commission payable in return for share options granted is based on the fair value of share options granted, measured using a binomial lattice model, with the following inputs:

	Services 2010	Services 2008	Services 2008
Fair value at grant date	2.913p	0.557p	0.903p
Share price	6.500p	4.500p	4.500p
Exercise price	7.000p	6.000p	5.000p
Expected volatility	48.31%	20%	20%
Option life	5 years	4 years	4 years
Risk-free interest rate	4%	5%	5%

The expected volatility was determined by reviewing the actual volatility of the Group's share price since its listing on AIM to the date of granting the option. In calculating the fair value, consideration was given to the market trends at the grant date of the option.

There is an expense of £23,520 (2009: £Nil) for the year in respect of goods and services received in respect of equity-settled share-based payment transactions.

Notice is hereby given that the Annual General Meeting (the “Meeting”) of Beowulf Mining plc (the “Company”) will be held at Doubletree Hotel, Granta Place, Cambridge CB2 1RT on 30th June 2011 at 4.00 p.m. to transact the following business:

As Ordinary Business

1 To receive and consider the Company’s audited accounts for the year ended 31 December 2010 and the directors’ and auditors’ reports thereon.

2 To approve and consider the Remuneration Report as detailed on page 18 of the Company’s annual report and accounts.

3 To re-elect Anthony Scutt, who is retiring by rotation, as a director of the Company.

4 To re-appoint Fred Boman as a director of the Company.

5 To re-appoint Price Bailey LLP as auditor and authorise the directors to fix the auditor’s remuneration.

As Special Business

To consider and if thought fit to pass the following Resolution which will be proposed as an Ordinary Resolution:

Ordinary Resolution

6 That the Directors be generally and unconditionally authorised to allot equity securities (as defined in section 560 of the Companies Act 2006):

6.1 in the case of ordinary shares in the Company, having a nominal amount; and

6.2 in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares in the Company having a nominal amount,not exceeding, in aggregate, £486,656 provided that the power granted by this resolution shall expire on the conclusion of the Company’s next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot equity securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

To consider and if thought fit to pass the following Resolution which will be proposed as a Special Resolution:

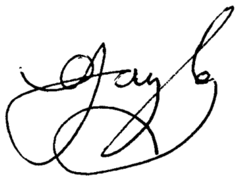
Special Resolution

7 That, subject to the passing of resolution 6, the Directors be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash, either pursuant to the authority conferred by resolution 6 or by way of a sale of treasury shares, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities having:

7.1 in the case of ordinary shares in the Company, having a nominal amount; and

7.2 in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares in the Company having a nominal amount,not exceeding, in aggregate, £486,656 provided that the power granted by this resolution shall expire on the conclusion of the Company’s next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board



Edward Taylor
Company secretary
Registered office:
Beowulf Mining plc
Richmond House
Broad Street
Ely
Cambridgeshire
CB7 4AH

6 June 2011

Entitlement to attend and vote

1 In order to have the right to attend or vote at the meeting a person must be entered on the register of members by 6pm on 28th June 2011.

Appointment of proxies

2 As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please use the procedures set out in the notes to the proxy form.

4 To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed (or a copy of it notorially certified in some other way approved by the directors) must be sent or delivered to Neville Registrars at Neville House,18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to arrive not less than 48 hours before the time of the meeting. Completion of the proxy form does not preclude a member from subsequently attending and voting at the meeting in person.

Communication

5 Except as provided above, members who have general queries about the Meeting should telephone Edward Taylor on 01366 500722 (no other methods of communication will be accepted):

6 You may not use any electronic address provided either:

- in this notice of annual general meeting; or
- in any related documents (including the chairman's letter and proxy form),

to communicate with the Company for any purposes other than those expressly stated.

BEOWULF MINING PLC

Registered Office:
Richmond House
Broad Street
Ely
Cambridgeshire
CB7 4AH

www.beowulfmining.com