

22 June 2011

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

**Subscription for £250,000 Secured Convertible Loan Notes 2017
in Agricola Resources Plc**

Beowulf (AIM: BEM; Aktietorget: BEO), the AIM and Aktietorget traded mineral exploration company which owns several exploration projects in Sweden, announces that yesterday it agreed to subscribe for £250,000 of additional secured convertible loan notes in PLUS quoted Agricola Resources plc (“Agricola”) (the “Convertible Loan Notes”). The subscription amount is to be satisfied as to £182,748 through the rolling over of certain existing unsecured loans due to Beowulf and the balance of £67,252 in cash.

The existing loans being replaced were advanced on an ad hoc basis between May 2010 and June 2011 and constituted a related party transaction as disclosed in Beowulf’s 2010 Annual Report and Financial Statements. The Company has restructured the existing unsecured loans to ensure that the financing arrangements with Agricola are fair and reasonable as far as Beowulf’s shareholders are concerned.

The Convertible Loan Notes are interest bearing at a rate of 7 per cent. per annum above the Bank of England’s base rate from time to time and interest will be compounded quarterly on the principal loan amount outstanding.

The Convertible Loan Notes are secured against all of Agricola’s assets, ranking behind Beowulf’s existing legal charge in respect of Agricola’s Morocco joint venture project, and are repayable on 30 June 2017 or, at Beowulf’s option, immediately upon a fundraising of more than £400,000 being completed by Agricola, or any time thereafter. At Agricola’s option, the Convertible Loan Notes are redeemable early without penalty on 30 June 2012 or at six monthly intervals thereafter. Beowulf is entitled at its sole discretion to convert all or part of the principal loan amount advanced into new ordinary shares in Agricola at a conversion price of 1 pence par value per ordinary share at any time. The notes are transferable subject to certain limited restrictions.

In addition, Beowulf has been granted warrants to subscribe for up to 21,000,000 additional new ordinary shares in Agricola at an exercise price of 1 pence per new Agricola ordinary share at any time prior to 30 June 2014.

Agricola (PLUS: AGRI) is currently focused on identifying commercially exploitable gold deposits in North Africa, with initial exploration targets in the Anti-Atlas area of the Kingdom of Morocco. Its principal asset is a joint venture project involving two gold exploration licences in the Tan Tan Province, Guelmin-Es Semara region of Southern Morocco at Ain-Kerma and Toufrite. On 19 October 2010, Agricola announced that it was in discussions with respect to the possible acquisition of a company which owns rights to acquire various mineral assets in Kazakhstan, most notably tungsten and molybdenum. The above subscription will assist Agricola in meeting its general working capital requirements whilst these discussions are ongoing. There is no guarantee that such discussions will be successfully concluded.

In its year ended 31 December 2009, Agricola made an audited loss before and after taxation of £262,676 and as at that date had net liabilities of £10,881.

Mr Clive Sinclair-Poulton and Mr Anthony Scutt are directors of both Beowulf and Agricola. Accordingly, the subscription for the Convertible Loan Notes, as set out above, is considered to be a related party transaction under the AIM Rules for Companies. The independent directors of Beowulf (being Mr Edward Taylor, Dr Jan-Ola Larsson and Mr Fred Boman) consider, having consulted with Strand Hanson Limited, that the terms of the subscription for the Convertible Loan Notes are fair and reasonable insofar as the Company's shareholders are concerned.

Following the abovementioned subscription, Beowulf now holds £20,000 of secured convertible loan notes due 2013, £250,000 of secured convertible loan notes due 2017, 7,111,000 warrants exercisable at 1 pence per share at any time prior to 14 September 2011, 21,000,000 warrants exercisable at 1 pence per share at any time prior to 30 June 2014 and is interested in 9,500,000 ordinary shares representing approximately 5.92 per cent. of Agricola's existing issued share capital.

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