

**Company** Berkeley Mineral Resources PLC  
**TIDM** BMR  
**Headline** £6.6m placing and TVR  
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## **Berkeley Mineral Resources Plc ("BMR" or "the Company")**

### **£6.6m PLACING and TVR**

Berkeley Mineral Resources Plc, the AIM listed resource company engaged in the processing of tailing dumps at Kabwe in Zambia, announces that it has raised a total of £6.6 million before expenses by way of a Placing of 188,571,428 new ordinary shares with UK institutional investors at a price of 3.5p per share (the "Placing Shares"). For each placing share subscribed, the placees are being issued a warrant exercisable at 9p.

The net proceeds of the placing will be used, following the completion of the proposed acquisition of the additional tailings dumps at Kabwe, to fund the construction of the processing plant which will be sited at the Kabwe mine. The Directors believe that the net proceeds of the placing, together with existing cash resources of the Company, will be sufficient to substantially fund the construction and commissioning of the planned zinc and lead processing plant and provide working capital to commence operations.

As announced on 5 November 2010, completion of the acquisition of the tailings dumps at Kabwe has not yet completed and finalisation of the necessary documentation is continuing. The Company anticipates entering into the final, formal documentation in the next few weeks. Further announcements in this regard will be made in due course.

Application has been made for the Placing Shares, together with 4,500,000 new shares which have been issued in lieu of commission payable in respect of the placing, to be admitted to trading on AIM ("Admission"). Admission is expected to occur on 24 November 2010, when the enlarged issued share capital of the Company will total 810,626,458 Ordinary Shares (the "Enlarged Share Capital"). The new shares will rank pari passu with all existing Ordinary Shares in the capital of the Company.

Following the Placing, the above figure of 810,626,458 Ordinary Shares may be used by shareholders of the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Berkeley Mineral Resources under the Financial Service Authority's Disclosure and Transparency Rules.

**Masoud Alikhani, Chairman of Berkeley Mineral Resources Plc, commented:**

*"The Company is very heartened by the strong support and endorsement that the investment community has shown. We are looking to complete the acquisition at Kabwe as soon as practicable especially as the capital costs of our planned processing plant are now substantially funded. This will allow our team to focus on generating cashflow, harnessing the full potential at Kabwe and continuing to investigate the further opportunities which we see in the tailings processing sector, all of which will enable us to maximise the return to shareholders. "*

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**Notes to editors**

BMR is a minerals company with a primary strategy of investing in tailings processing. By accessing dump deposits with known grades and metallurgy, it avoids exploration or mining costs, has a secure licence and fixed environmental criteria, and can produce concentrates according to viability at current market prices.

The Kabwe deposits, located approximately 110km north of the Zambian capital Lusaka, were discovered in 1902. From 1906, Kabwe was a significant mine. By the time it closed in 1994, due to depletion of the massive sulphide mineralisation and lowered metal prices, it had produced about 1.8m tonnes of zinc, 800,000t of lead, 7,800t of vanadium pentoxide and lesser quantities of cadmium, silver and copper. After closure, most of the mine complex was sold off on a piecemeal basis. BMR's project is part of an overall plan to re-assemble the Kabwe site into a single entity operating under a single Large Scale Mining Licence.

The waste dumps at Kabwe cover an area of about 1km<sup>2</sup> and contain over 7m tons of various waste residues with an estimated combined metal content of 455,000t zinc and 368,500t lead.

BMR benefits from the existing infrastructure at Kabwe, including processing plant, good roads, water supply, ample power, local labour and direct on-site sidings connection to overseas markets via international railways to South Africa and to Indian Ocean ports.

For further information please see the Company's website at <http://www.bmrplc.com>

The directors of Berkeley Mineral Resources accept responsibility for this announcement.

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