

BERKELEY MINERAL RESOURCES PLC
("BMR" or "The Company")

AGREEMENT TO ACQUIRE KABWE TAILINGS DUMPS SIGNED

Following the update issued on 13 December 2010, Berkeley Mineral Resources Plc, the AIM listed company that is primarily engaged in processing mining tailings, is delighted to announce the signing of a definitive agreement for the acquisition of the remaining stockpiles of lead and zinc tailings at the Kabwe Mine, Zambia (the 'Acquisition').

The Acquisition is being effected by the acquisition by BMR from NLL Minerals Limited of Enviro Mining Limited ("EML"), a private company which, at completion, will own, either by itself or through its subsidiary companies:

- 1. The Leasehold rights and title in and to Stand 5187 containing the stockpiles at Kabwe until 30 June 2075.**
- 2. The contents of all the tailings dumps included in Stand 5187 and Dump 57.**
- 3. The Small-Scale Mining Licence relating to Lead, Zinc, Copper and Cobalt minerals for a period of 10 years from 20 October 2010, renewable thereafter. This Licence allows the Company to process the tailings without restriction on volume.**
- 4. Access Rights to enable BMR to develop Dump 57.**

The dumps acquired cover an area of about 1km² and are illustrated in the Plan on the BMR website at <http://www.bmrplc.com/projects/resources>.

Completion is conditional, inter alia, on finalisation of due diligence by BMR, on EML completing its acquisition of certain relevant assets and the transfer to BMR of the Small-scale Mining Licence. Completion is due when the Conditions Precedent have been satisfied. BMR has two months from the signing of the agreement to complete its due diligence prior to Completion.

The aggregate purchase price for EML, payable at completion, is US\$2.5 million in cash, plus, at the vendor's option, the issue of 80 million shares in BMR (at an effective issue price of 6p per share) or a further cash payment of £4.8m or a combination of cash and shares.

Subject to satisfactory due diligence, BMR will settle the purchase price at the time of Completion.

Existing infrastructure

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

Phase one: the wash plant slimes dumps

The wash plant slimes dumps include residue historically produced at Kabwe prior to its closure through the washing of concentrates. Because of the high combined grade of lead and zinc at 17.83%, this section of tailings is believed to be readily saleable without further processing.

The Mineral Corporation has produced for BMR a mineral resources estimate for the wash plant tailings. The report was prepared by Mr. D R Young (BSc. Hons., Geology), who is a Competent Person as defined by the JORC Code (2004), being registered as a Professional Natural Scientist with the South African Council for Natural Scientific Professions (SACNASP), with more than five years experience relevant to resource estimation .

JORC Mineral Resource estimates on Pb and Zn for the Kabwe Wash Plant Tailings

Mineral Resource Class	Volume (m³)	Dry Bulk Density (t/m³)	Average Moisture Content	Pb (%)	Zn (%)	Wet Tonnes	Dry Tonnes
Measured	267,426	1.92	16.61%	7.38	10.45	586,769	503,189

Phase two: the stockpiles of residue leach-plant tailings dumps

BMR has not yet completed its drilling and assays programme to provide a JORC compliant mineral resource estimate for the remainder of the leach plant dumps at Kabwe. Historical estimates of the leach plant material in the dumps acquired are in excess of 6 million tonnes. All historic estimates are, however, not JORC compliant and have not been verified at this time and should therefore not be relied on as such.

The Company is intending to retain a leading tailings treatment organisation to design, build and operate a new beneficiation plant at Kabwe to process the stockpiles.

Exercise of warrants

To allow the Company to target other acquisitions, one of which is at an advanced stage of negotiation, the Company induced the exercise of 52,083,334 warrants at an exercise price of 6p per share being at a discount to the original exercise price in respect of those warrants of 9p per share (the 'Warrant Exercise'). By this, the Company has raised £3.125m in cash.

The potential acquisition, which is significant in scale, is in Zambia and primarily comprises copper tailings, for which extensive data exists. Discussions continue to progress well.

In consideration for the Warrant Exercise and in addition to agreeing to reduce the exercise price to 6p per share for the Warrant Exercise, the Company has agreed to lower the exercise price to 6p per share in respect of a further 127,916,666 outstanding warrants owned by the exercising warrant holders, although the final exercise date for such warrants has been brought forward from 24 November 2012 to 24 April 2012 (the 'Outstanding Warrants').

In addition to the Outstanding Warrants, there remain 8,571,428 outstanding warrants over shares in the Company, each with an exercise price of 9p per share.

Application will be made for the admission to trading on AIM of 52,083,334 new ordinary shares and admission is expected to occur on 31 March 2010 when the enlarged issued share capital of the Company will total 862,709,792 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 Warrant Exercise, the above figure of 862,709,792 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 BMR, commented:

“We are very pleased to have finally concluded negotiations to conditionally acquire the remaining dumps at Kabwe. BMR can now complete the verification of the leach plant dumps to JORC standards, commission the beneficiation plant and proceed as soon as possible to commence supplying the lead and zinc which are currently in high and increasing demand on world markets.

The exercise of the warrants has allowed BMR to potentially fund another acquisition and also to fund due diligence on a number of potential further acquisitions at minimal dilution to shareholders”.

This release has been reviewed by Mark Wainwright MA (Cantab), MBA, a director of BMR, in accordance with the guidance note for Mining, Oil & Gas Companies issued by the London Stock Exchange in respect of AIM Companies.

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Notes for Editors

BMR is a minerals company with a primary strategy of investing in tailings processing. By accessing above-ground 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. Berkeley's project is part of an overall plan to re-assemble the Kabwe dumps site into a single entity operating under a single Small Scale Mining Licence.

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