

<b>Company</b>	Berkeley Mineral Resources PLC
<b>TIDM</b>	BMR
<b>Headline</b>	Preliminary Results
<b>Released</b>	07:00 25-Nov-2011
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Berkeley Mineral Resources PLC  
25 November 2011

**BERKELEY MINERAL RESOURCES PLC**  
("BMR" or the "Company")

**Preliminary Results for the Year ended 30 June 2011**

Berkeley Mineral Resources Plc, the AIM-listed mining and processing company, is pleased to announce its results for the year ended 30 June 2011.

**Highlights:**

- **Acquisition of the remaining tailings at the Kabwe mine not already owned together with appropriate licences on 20 June 2011.**
- **BMR now holds a historically estimated 7.14 million tonnes of ore containing various metals, principally high-grade lead and zinc, of which 2.82 million tonnes currently conforms to the JORC Measured classification.**
- **During the reporting period, the Company raised £ 20.7m before expenses via placing of shares and exercise of warrants.**
- **The capital costs of the planned processing plant and working capital to commence operations are funded.**
- **Considerably strengthened the Board and our management team in the UK and Zambia.**

**Highlights post year end:**

- **In discussions with interested parties to enter into sales contracts for the purchase of the washplant tailings.**
- **Feasibility work continues for the rest of the tailings stockpiles at Kabwe, Zambia.**
- **BMR is at an advanced stage of negotiations to acquire an existing licence to all of the residual partly mined or unmined underground ore bodies remaining at the**

former Kabwe mine, together with infrastructure; ore estimate in excess of 22 million tonnes comprising 1.2 million tonnes of zinc, lead, silver, cadmium and other valuable minerals.

- Advanced negotiations commenced on a further significant potential acquisition identified in Zambia, primarily comprising copper tailings and for which extensive data exists.

## CHAIRMAN'S STATEMENT

The Company achieved important milestones in the year under review.

With shareholder support, BMR acquired all the remaining stockpiles not already owned at Kabwe on 20 June 2011 for a total cash consideration of £6.6m. Following extensive verification by the Company's retained consultants, it now owns a historically estimated ore resource of 7.14m tons, principally high grade lead and zinc, of which 2.82m tonnes currently **conforms to the JORC Measured classification**. At the financial 2011 year end, the net assets of BMR had grown to £18.6m (2010: £0.3m).

JORC-compliant mineral resource estimates for the lead and zinc in the Washplant tailings and central section of the Leach plant tailings, based on assays of the material accessed by the auger drilling campaign carried out in July 2010 and including the washplant re-interpretation announced on 23 November 2011, are as follows:

### JORC Mineral Resource estimates on Lead (Pb) and Zinc (Zn) for the Kabwe Washplant tailings

Mineral Resource Classification	Volume (m <sup>3</sup> )	Dry Bulk Density (t/m <sup>3</sup> )	Average Moisture Content (%)	Pb (%)	Zn (%)	Wet Tonnage	Dry Tonnage
Measured	304,771	1.92	16.61%	7.21	10.66	668,709	573,458
Total	304,771	1.92	16.61%	7.21	10.66	668,709	573,458

### JORC Mineral Resource estimates on Lead (Pb) and Zinc (Zn) for the central section of Kabwe Leach Plant Tailings

Mineral Resource Classification	Volume (m <sup>3</sup> )	Dry Bulk Density (t/m <sup>3</sup> )	Average Moisture Content (%)	Pb (%)	Zn (%)	Wet Tonnage	Dry Tonnage
Measured	1,890,674	1.21	33.63	8.31	3.74	2,995,933	2,241,961
Total	1,890,674	1.21	33.63	8.31	3.74	2,995,933	2,241,961

*The central section covered by this resources estimate is coloured purple on the relevant illustrated map on the BMR website at <http://www.bmrplc.com/projects-2/resources>.*

Both the above estimates were 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.

Subsequent testing has revealed additional minor traces of copper, vanadium, iron and manganese.

### **Washplant tailings**

After careful evaluation, and having sought advice from its retained mining consultancies, the Board has decided to sell the Washplant tailings without further processing. With a high combined grade of lead and zinc at 17.87%, the value of the JORC-compliant dry tonnage of 573,458 will be optimised by the sale of the material without further processing.

The Directors considered the extent of the investment required to process these tailings and concluded a dedicated washplant flotation plant to produce concentrates would not be the best use of capital at this stage of the Company's development. Additionally, the Directors believe there is an environmental need to remove the potentially polluting material from site as soon as possible.

Having taken the decision to sell the Washplant stockpiles without further processing on-site, the Board has commenced discussions with interested parties to enter into sales contracts to buy the Washplant tailings. These parties have been invited to submit offers for the material.

The Directors believe that the Kabwe site is ideally located for rail transport through Indian Ocean ports to smelters in Far Eastern markets and the Washplant sections of the stockpiles are adjacent to the Kabwe railway sidings.

### **Simplified Leachplant Pre-Feasibility Study**

As a result of the decision to sell the washplant tailings without further processing the Leachplant Pre-Feasibility Study, currently being undertaken by Metanza, will focus on the main Leachplant and Slag stockpiles. The Leachplant Study will include design criteria, major equipment listing, and capital and operating cost estimates for the recommended processing routes. Further drilling of the Slag stockpiles is being undertaken to complete the resource information for the Study.

Mintek are currently completing mineralogy and metallurgical testing of composite samples of these stockpiles concurrently with Metanza's work, which will be concluded in the first quarter of 2012.

### **Environmental considerations**

When operations at Kabwe had ceased previously in 1994 there were significant environmental concerns. BMR takes its responsibilities regarding the environment seriously. BMR's management is in regular contact with the team at the Copperbelt Environmental Plan (CEP), who are in the process of instituting monthly visits and quarterly reporting in respect of compliance in respect of environmental issues.

### **Strengthened Board**

BMR announced the appointments of Mark Wainwright and Horacio Furman to the Board during the year under review. Mark Wainwright brings with him a wealth of experience gained with some of the largest corporations in our sector working in different countries. Horacio Furman was involved for over a decade in commercial activity in China in a wide range of fields including mining and metals. I am sure they will make a substantial and effective contribution to our development strategy, operational ability, off-taking activities and expansion plans to harness the Company's full potential as it grows to become a major producer in the world mineral processing business.

Yoram Ben Israel resigned his directorship during the year under review. We are grateful for his contribution to BMR over the years and wish him well.

### **Management**

BMR has appointed Dennis Human B.Sc. (Hons), Bus. Admin. (Hons), as Consulting Geologist for its operations at Kabwe. Mr Human is an experienced geologist and land surveyor with over 30 years widespread experience of mining and processing operations involving gold, lead, zinc, copper and iron ore in various African countries and in Europe.

BMR has also retained two of the existing Directors of its Zambian-registered subsidiaries Enviro Props Ltd and Enviro Processing Ltd. Albert Chalwe is a Mechanical Engineer with 19 years' service to Zambian railways and marketing experience prior to becoming a director of Alberg Ltd, a mining company based at Kabwe, in 2006. Edgar Njobvu is an Electronics Engineer with 20 years practical experience in the mining industry including service with ZCCM, the Zambian state mining company, and Kabwe Power and Metal Ltd prior to becoming a director of Zincorous Investments Ltd and Silverlining Ventures Ltd, both mining companies based at Kabwe, in 2000.

Both of these Zambian directors have widespread experience, knowledge and contacts regarding the Kabwe stockpiles and mining operations.

## **Background to BMR's involvement in Zambia**

Zambia has a long and sustainable history of mining development from the early years of the last century. Due to big increases in metal and mineral prices over recent years, there has been a large scale investment in the mining sector in Zambia. By 2010 copper output from the world-class Zambian Copperbelt resources was the highest since 1973. Zambia is currently the world's third largest exporter of copper and forecasts for the country's exports in 2012 are over one million tons. Zambia is one of the best mining jurisdictions in Africa, included in the 2010/2011 Fraser Institute Policy Potential Index as one of the top eight countries on the Continent.

BMR commenced negotiating to acquire its first tailings project at the site of one of Zambia's most important former mines, the Kabwe zinc and lead mine, early in 2008. This put the Company at the forefront of modern mineral development in Zambia. BMR's initiative has subsequently been endorsed by corporate activity in the country, including the acquisition of Sable Zinc, the former owners of the Kabwe mine, by Glencore International and the current acquisition of Sable's parent company, Metorex, by Chinese-based Jinchuan Group after it out-bid an earlier offer by Brazilian miner, Vale.

## **Share and warrant issues**

During the year, 641,925,595 shares were issued for a total consideration before expenses of £20.7m. This will substantially fund the construction and commissioning of the Company's planned zinc and lead beneficiation plant at Kabwe, provide working capital to commence operations and allow the Company to target other potential further acquisitions and fund due diligence on them at minimal dilution to shareholders. The potential acquisitions are in Zambia and primarily comprise copper tailings. Discussions continue to progress well.

These shares included 68.3 m shares issued to warrant holders at an exercise price of 3p per share giving a consideration of £2.05m. On 24 January 2011, the Company induced the exercise of 52.0m 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 raised £3.1m in cash.

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 agreed to lower the exercise price to 6p per share in respect of a further 127.9m 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, at the date of publication of these results, there remain 8.5m outstanding warrants over shares in the Company, each with an exercise price of 9p per share.

On 28 June 2011 the Company raised £5.8m by the issue of 145 million shares. For every two issued shares, the placees were granted one warrant exercisable at 6p per warrant at any time up to three years from the date of grant (72.5m warrants). These warrants were outstanding at 30 June 2011.

In aggregate, at the end of the reporting period, the Company has 208.9m warrants in issue.

## **RESULTS FOR THE PERIOD**

For the year ended 30 June 2011, the loss was £2.5m before tax compared with a loss of £0.5m for the prior year. The results include expenses of acquisition £0.3m (2010:£nil), share-based payment costs for the issue of share options of £0.6m (2010: £nil), legal and professional fees, salaries and fees for the strengthened Board, management and professionals hired both in UK and Zambia.

## **OUTLOOK**

We have already received a JORC standard Measured resource statement for the Washplant tailings and for the central section of the Leachplant tailings at Kabwe; we have also commissioned the JORC standard resource statements for the remaining Leachplant tailings and Slag stockpiles. We have also appointed consultants to prepare a Prefeasibility Study including the specification and costing parameters for the construction of an appropriate beneficiation plant.

The Company is at an advanced stage of negotiations to acquire an existing licence to all the residual partly mined or unmined underground ore bodies remaining at the former Kabwe mine, together with shafts and other infrastructure; in all, these ore bodies are historically estimated to contain in excess of 22 million tonnes comprising some 1.2 million tonnes of zinc, lead, silver, cadmium and other valuable minerals.

Washplant sales are planned to start in the first quarter of 2012 and we are in negotiations with potential off-take partners for the supply of zinc and lead concentrates.

The Company is in discussions for acquisition of copper tailings based in Zambia which would require substantial new investment.

The outlook for the Company is positive. We have acquired the rights to above-ground stockpiles containing substantial amounts of metal. Entering production of our first long-life project at Kabwe, with cash generation scheduled to commence in the first quarter of 2012, will transform BMR into a significant base metal supplier.

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

**M A Alikhani**  
**Chairman**

**25 November 2011**

This release has been reviewed by Dennis Human, B.Sc. (Hons), Bus. Admin (Hons), Consulting Geologist in accordance with the guidance note for Mining, Oil & Gas Companies issued by the London Stock Exchange in respect of AIM Companies.

**For further information please contact:**

**Berkeley Mineral Resources Plc**

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**BERKELEY MINERAL RESOURCES PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Continuing operations</b>		
Share based payments	(664,233)	-
Pre-completion expenses of Kabwe tailings acquisition	(375,956)	-
Other administrative expenses	(1,422,607)	(499,966)
	<hr/>	<hr/>
<b>Total administrative expenses</b>	<b>(2,462,796)</b>	<b>(499,966)</b>
Finance expense	-	(8,572)
Finance income	8,712	25
	<hr/>	<hr/>
<b>Loss before tax</b>	<b>(2,454,084)</b>	<b>(508,513)</b>
Taxation	67,674	-
	<hr/>	<hr/>
<b>Loss for the year after taxation attributable to equity holders of the parent company</b>	<b>(2,386,410)</b>	<b>(508,513)</b>
<b>Other comprehensive loss</b>		
Exchange translation differences on foreign operations	79,863	-
	<hr/>	<hr/>
<b>Total comprehensive loss for the year attributable to equity holders of the parent company</b>	<b>(2,306,547)</b>	<b>(508,513)</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Loss per ordinary share</b>		
Basic and diluted (pence)	<b>0.35p</b>	<b>0.18p</b>
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**Registered Number 02401127**  
**As at 30 June 2011**

	Notes	2011 £	2010 £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible exploration and evaluation assets		9,225,566	399,882
Property, plant and equipment		-	2,575
		<u>9,225,566</u>	<u>402,457</u>
<b>Current assets</b>			
Trade and other receivables		1,109,694	436,944
Cash and cash equivalents		10,650,954	142,234
		<u>11,760,648</u>	<u>579,178</u>
<b>Total assets</b>		<u><b>20,986,214</b></u>	<u>981,635</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		502,478	639,983
<b>Total current liabilities</b>		<u><b>502,478</b></u>	<u>639,983</u>
<b>Non current liabilities</b>			
Deferred tax		1,874,438	-
<b>Total non current liabilities</b>		<u><b>1,874,438</b></u>	-
<b>Total liabilities</b>		<u><b>2,376,916</b></u>	639,983
<b>Net assets</b>		<u><b>18,609,298</b></u>	<u>341,652</u>
<b>Equity</b>			
Share capital		17,528,048	11,108,792
Share premium		15,524,957	3,542,710
Warrant reserve		1,508,457	-
Merger reserve		1,824,000	1,824,000
Translation reserve		79,863	-
Retained earnings		(17,856,027)	(16,133,850)
<b>Total equity</b>		<u><b>18,609,298</b></u>	<u>341,652</u>
<b>Equity attributable to:-</b>			
<b>Equity holders of the Company</b>		18,413,499	145,853
<b>Non-equity holders of the Company</b>		195,799	195,799
		<u><b>18,609,298</b></u>	<u>341,652</u>

**CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 30 June 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(2,454,084)	(499,966)
Adjustments to reconcile net losses to cash utilised :		
Depreciation of property, plant and equipment	2,575	2,573
Impairment of research and development assets	-	87,426
Share based payments	664,233	-
	<hr/>	<hr/>
<b>Operating cash outflows before movements in working capital</b>	<b>(1,787,276)</b>	<b>(409,967)</b>
Changes in:		
Trade and other receivables	(605,076)	(409,274)
Trade and other payables	(137,505)	(43,441)
<b>Cash utilised by operating activities</b>	<b>(2,529,857)</b>	<b>(862,682)</b>
Interest paid	-	(8,572)
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>(2,529,857)</b>	<b>(871,254)</b>
	<hr/>	<hr/>
<b>Investing activities</b>		
Interest received		25
Consideration paid on acquisition of subsidiary	(6,612,892)	-
Purchases of property, plant and equipment	(270,435)	(359,882)
	<hr/>	<hr/>
<b>Net cash outflow from investing activities:</b>	<b>(6,883,327)</b>	<b>(359,857)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares and warrants	20,701,250	1,465,500
Share issue costs	(791,290)	(92,250)
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<b>Net cash inflow from financing activities</b>	<b>19,909,960</b>	<b>1,373,250</b>
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	<b>10,496,776</b>	<b>142,139</b>
Effect of foreign exchange rate changes	11,944	-
<b>Cash and cash equivalents at beginning of year</b>	<b>142,234</b>	<b>95</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>10,650,954</b>	<b>142,234</b>
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 30 June 2011**

	Share capital £	Share premium £	Warrant reserve £	Merger reserve £	Translation reserve £	Retained earnings £	Total equity £
<b>As at 1 July 2009</b>	10,009,771	2,705,939	-	1,824,000	-	(15,625,337)	(1,085,627)
Total comprehensive loss for the year	-	-	-	-	-	(508,513)	(508,513)
Issue of shares and warrants	1,099,021	929,021	-	-	-	-	2,028,042
Share issue costs	-	(92,250)	-	*	-	-	(92,250)
<b>As at 1 July 2010</b>	11,108,792	3,542,710	-	1,824,000	-	(16,133,850)	341,652
Total comprehensive loss for the year	-	-	-	-	79,863	(2,386,410)	(2,306,547)
Issue of shares and warrants	6,419,256	12,518,853	1,763,141	-	-	-	20,701,250
Share issue costs	-	(791,290)	-	-	-	-	(791,290)
Share based payments	-	-	-	-	-	664,233	664,233
Transfer on exercise of warrants	-	254,684	(254,684)	-	-	-	-
<b>As at 30 June 2011</b>	17,528,048	15,524,957	1,508,457	1,824,000	79,863	(17,856,027)	18,609,298

Notes to the Preliminary Statement:

1. General information and accounting policies

Berkeley Mineral Resources Plc is a company incorporated in the United Kingdom under the Companies Act 1985.

This Announcement is for the preliminary results for the year ended 30 June 2011.

2. Basis of preparation

The audited financial statements of the Company for the year ended 30 June 2011 have been prepared in accordance with the International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

3. Preliminary results for the year ended 30 June 2011.

The financial information presented for the year cover the period from 1 July 2010 to 30 June 2011. The comparative figures cover the period from 1 July 2009 to 30 June 2010. Whilst the financial information for the year ended 30 June 2011 contained in this announcement has been computed in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS.

The preliminary report, for the 12 month period, which was approved by the directors on 24 November 2011, does not comprise full accounts within the meaning of the Companies Act 2006.

4. The directors do not recommend the payment of a dividend.

5. The loss per share of 0.35 pence (2010: loss 0.18 pence) has been calculated on the basis of the loss of £2,386,410 (2010: loss £508,513) and on 688,990,923 (2010: 281,691,724) ordinary shares, being the weighted average number of ordinary shares in issue during the year ended 30 June 2011.

6. Events after the Reporting Date

On 12 August 2011 M Alikhani purchased 3,300,000 ordinary shares of 1p each at a price of 2.87p per share. On 26 August 2011, he also purchased 1,000,000 ordinary shares of 1p each at 2.90p per share.

On 12 August 2001 M Wainwright purchased 847,500 ordinary shares of 1p each at a price of 2.95p per share.

On 12 August 2011 H Furman purchased 677,800 ordinary shares of 1p each at a price of 2.95p per share.

7. Posting of Report & Accounts

The Company confirms that copies of the annual report and accounts for the year ended 30 June 2011 will shortly be sent to all shareholders and will be available during normal business hours from the offices of Seymour Pierce Limited at 20 Old Bailey, London EC4M 7EN. In addition, the Annual Report and Financial Statement will be available to be downloaded from the Company's website at [www.bmrplc.com](http://www.bmrplc.com)

8. Annual General Meeting

The Annual General Meeting of the Company will be held at 9.30am on 20 December 2011 at Albemarle Suite, Grosvenor House Hotel, Park Lane, London W1K 7TN. The resolutions proposed can be found in the Notice of Annual General Meeting in the annual report and accounts for the year ended 30 June 2011.