

## Berkeley Mineral Resources PLC

("BMR" or "the Company")

### Interim results for the six months ended 31 December 2009

Berkeley Minerals Resources plc, which is primarily engaged in acquiring and processing mining tailings initially in Zambia, announces its results for the six months ended 31 December 2009; a period of significant progress.

#### Highlights:

- **Two additional dumps at Kabwe secured**
- **Total value of metal in the three dumps now owned in excess of \$200 million**
- **Further acquisition opportunities near completion**
- **BMR on target to generate cashflow in 2010**

#### Masoud Alikhani, Chairman, Berkeley Mineral Resources plc, commented:

*"The growing demand for base metals represents an opportunity for BMR to become a significant supplier of material. By processing the dumps at Kabwe we can generate early cash-flow and reduce entry costs. We have the advantage that all the material has already been mined and all the necessary infrastructure is in place.*

*"The outlook for the Company is now very positive; we have acquired the rights to dumps containing significant amounts of metal, are expecting to acquire more and we expect to commence full scale production."*

#### EXECUTIVE DIRECTOR'S REVIEW

I am pleased to be able to announce the Company's interim results for the six months ended 31 December 2009.

We have reported that we have transformed the business of your Company by entering the natural resources arena. In July 2008, the Company was granted the rights to Dump 57 at the Kabwe mine in Zambia by Zincorous Investment Ltd, a South African-owned, Zambia-based company. This dump contains an estimated 1.24m tons of Waeltz Kiln slag grading 5.49% combined Zn-Pb, equivalent to around 52,100t Zn and 16,100t Pb, worth over US\$100 million at current metal prices.

In October 2009 BMR secured the rights to two further dumps (Dumps 21 & 22) which contain approximately 588,000t of Imperial Smelting Furnace (ISF) slag grading 9.65% zinc-lead, equivalent to around 46,040t of zinc and 10,701t lead and with a similar value to that of Dump 57. In total the Company has so far secured an asset base of 1,800,000t of tailings to process,

which are estimated to contain some 125,000t of metals with an estimated market value at LME spot prices exceeding US\$200 million.

Negotiations are nearing completion to secure rights to further adjacent dumps at Kabwe and to expand our operations. The acquisition of the rights to further stockpiles of zinc and lead tailings will strengthen the economics of the project and the Company's ability to commence production in the second half of 2010 as presaged.

At the same time, detailed metallurgical process and financial planning is taking place for the provision of a larger beneficiation plant for concentrate production. BMR is also negotiating to secure further space at Kabwe for the siting of that plant. The Company estimates that these developments should enable it to substantially extend the life of the project beyond the timescale so far envisaged.

Throughout the period, LME prices for lead and zinc have been rising due to a resurgence of demand, mainly from the flourishing automotive industries in China and other countries of the Far East. Many existing zinc mines are set to close in the next few years due to depletion. At the same time, the pipeline of world base metals production set to come on-stream, especially of lead, is severely limited.

In a report issued in January 2009, Credit Suisse concluded that its analysis suggests that *"by 2016 the world could need c 6mt more zinc capacity versus current capabilities- that's a c 60% increase in new mines"*.

#### **Voice quality technology business**

This has a residual value of £47,575 and the Directors continue to monitor the recovery of the monies owed from the joint venture.

#### **Going Concern**

The Directors feel comfortable that with the new opportunities available and with an appropriate business plan, there is a reasonable chance that they can raise the additional funds necessary to meet the needs for the next 12 months to 31 March 2011.

For the Zambian business, the Directors advise that the Company has the option to trade on an off-take basis whereby the Company will have no initial material outlay, giving the Company positive cash flow.

For these reasons the Directors continue to adopt the going concern basis in preparing the financial statements.

#### **Outlook**

We are anticipating the next transformational stage of development at our tailings processing business at Kabwe. We look forward to the commencement of production which is now scheduled to start in the second half of this year and are in negotiations with potential off-take partners for the supply of zinc and lead concentrates.

The outlook for the Company is now very positive; we have acquired the rights to dumps containing significant amounts of metal, are expecting to acquire more and we expect to commence full scale production. We expect that the business will be cash generative shortly thereafter.

#### **Results for the period**

The Company raised £170,000 in a placing in November 2009. The directors have kept overheads to a minimum pending the commencement of the Company's production stage. For the six

months ended 31 December 2009, the unaudited loss was reduced to £232,468 compared with a loss of £255,098 for the same period in the prior year. The results include amortisation costs of intangible assets of £45,000 (2008: £45,644). Prior period comparable results include turnover of £167,718 and gross profit of £21,704 relating to zinc and lead mined from Dump 57.

M A Alikhani  
31 March 2010  
Executive Director

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

The Directors of Berkeley Mineral Resources plc accept responsibility for this announcement.

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## Berkeley Mineral Resources PLC

### Income Statement For period ended 31 December 2009

		Six months ended 31 December 2009	Six months ended 31 December 2008
	Notes	Unaudited £	Unaudited £
Revenue		-	167,718
Cost of sales		=	<u>(146,014)</u>
Gross profit		-	21,704
Administrative expenses		<u>(227,155)</u>	<u>(271,081)</u>
<b>Operating loss</b>		<b>(227,155)</b>	<b>(249,377)</b>
Investment income		-	842
Finance costs		<u>(5,313)</u>	<u>(6,563)</u>
<b>Loss before taxation</b>		<b>(232,468)</b>	<b>(255,098)</b>
Taxation		<u>-</u>	<u>-</u>
<b>Loss for the period</b>	<b><u>6</u></b>	<b><u>(232,468)</u></b>	<b><u>(255,098)</u></b>
<b>Loss per share</b>	<b><u>5</u></b>	<b><u>(0.09)p</u></b>	<b><u>(0.10)p</u></b>
Basic and diluted			

The above results:

- a. relate to continuing operations; and
- b. represent the total income and expense recognised during the period.

## Berkeley Mineral Resources PLC

### Balance sheet At 31 December 2009

	Notes	31 December 2009 Unaudited £	31 December 2008 Unaudited £
<b>Non-current assets</b>			
Other intangible assets		47,575	136,931
Investment		40,000	40,000
		<u>87,575</u>	<u>176,931</u>
<b>Current assets</b>			
Trade and other debtors		6,460	1,164
Cash and cash equivalents		409	275
		<u>6,869</u>	<u>1,439</u>
<b>Total assets</b>		<u>94,444</u>	<u>178,370</u>
<b>Current liabilities</b>			
Trade and other payables	7	<u>(1,265,539)</u>	<u>(1,109,665)</u>
		<u>(1,265,539)</u>	<u>(1,109,665)</u>
<b>Net liabilities</b>		<u>(1,258,670)</u>	<u>(1,108,226)</u>
<b>Total liabilities</b>		<u>(1,265,539)</u>	<u>(1,109,665)</u>
<b>Net assets</b>		<u>(1,171,095)</u>	<u>(931,295)</u>
<b>Equity</b>			
Share capital	6	10,159,771	10,009,771
Share premium	6	2,702,939	2,705,939
Merger reserve	6	1,824,000	1,824,000
Accumulated loss	6	<u>(15,857,805)</u>	<u>(15,471,005)</u>
<b>Total equity</b>		<u>(1,171,095)</u>	<u>(931,295)</u>
Attributable to:			
Equity attributable to equity holders of the parent		(1,366,894)	(1,127,094)
Non-equity shareholders funds		<u>195,799</u>	<u>195,799</u>
<b>Total equity</b>		<u>(1,171,095)</u>	<u>(931,295)</u>

**Cashflow statement**  
**Period ended 31 December 2009**

	<b>Period ended 31 December 2009 Unaudited £</b>	<b>Period ended 31 December 2008 Unaudited £</b>
<b>Net cash outflow from operating activities</b>	<b>(146,373)</b>	<b>(352,652)</b>
<b>Investing activities</b>		
Interest received	-	841
Net cash used in investing activities	-	841
<b>Financing activities</b>		
Issue of shares	147,000	300,000
Interest paid	(313)	(6,563)
<b>Net cash from financing activities</b>	<b><u>146,687</u></b>	<b><u>293,437</u></b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>314</b>	<b>(58,374)</b>
Cash and cash equivalents at beginning of the year	95	58,649
Effect of foreign exchange rate changes	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at end of the year</b>	<b><u><u>409</u></u></b>	<b><u><u>275</u></u></b>

**Notes to the cash flow statement**  
**Period ended 31 December 2009**

	<b>Period ended 31 December 2009 Unaudited £</b>	<b>Period ended 31 December 2008 Unaudited £</b>
Operating loss from continuing operations	(227,155)	(249,377)
Adjustments for:		
Amortisation of intangible assets	<u>45,000</u>	<u>45,644</u>
<b>Operating cash flows before movements in working capital</b>	<b>(182,155)</b>	<b>(203,733)</b>
Decrease in receivables	21,210	8,136
Increase / (decrease) in payables	<u>14,572</u>	<u>(157,055)</u>
<b>Net cash outflow from operating activities</b>	<b><u><u>(146,373)</u></u></b>	<b><u><u>(352,652)</u></u></b>

**Berkeley Mineral Resources PLC**  
**Period ended 31 December 2009**

**Notes to the financial information**

**1. General information and accounting policies**

Berkeley Resources PLC is a company incorporated in the United Kingdom under the Companies Acts 1985, and where applicable, 2006.

This announcement is for the interim results for the six month period ended 31 December 2009 (unaudited).

**2. Basis of accounting**

The accounting policies for the interim financial information have been prepared in accordance with the International Financial Reporting Standards (“IFRS”). The financial information has also been prepared in accordance with IFRS adopted for use in the European Union and therefore complies with Article 4 of the EU IAS Regulation.

The financial information has been prepared on the historical cost basis, except for certain financial instruments which are carried at fair value or historical cost and in accordance with IFRS.

**3. Interim results for the six months ended 31 December 2009 (unaudited)**

The financial information presented for the interim period cover the period from 1 July 2009 to 31 December 2009. The comparative figures cover the period from 1 July 2008 to 31 December 2008.

While the financial information for the period ended 31 December 2009 contained in this announcement has been computed in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS.

The interim report, for the 6 months period, which was approved by the directors on 31 March 2010, does not comprise full accounts within the meaning of the Companies Acts 1985, and where applicable 2006. The interim financial information is not audited.

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

**5.** The loss per share of 0.09p (2008: 0.10p) has been calculated on the basis of the loss of £232,468 (2008: £255,098) and on 262,776,507 (2008: 252,347,850) ordinary shares, being the weighted average number of ordinary shares in issue during the period ended 31 December 2009.

**6a).**  
**Statement of changes in equity for the period ended 31 December 2009**

	Share capital £	Share premium £	Merger reserve £	Accumulated loss £	Total £
At 1 July 2009	10,009,771	2,705,939	1,824,000	(15,625,337)	(1,085,627)
Net loss for the period	-	-	-	(232,468)	(232,468)
Issue of shares	150,000	(3,000)	-	-	147,000
At 31 December 2009	<u>10,159,771</u>	<u>2,702,939</u>	<u>1,824,000</u>	<u>(15,857,805)</u>	<u>(1,171,095)</u>

**6b).**  
**Statement of changes in equity for the period ended 31 December 2008**

	Share capital £	Share premium £	Merger reserve £	Accumulated (loss)/profit £	Total £
At 1 July 2008	9,709,771	2,705,939	1,824,000	(15,215,907)	(976,197)
Net loss for the period	-	-	-	(255,098)	(255,098)
Issue of shares	300,000	-	-	-	300,000
At 31 December 2008	<u>10,009,771</u>	<u>2,705,939</u>	<u>1,824,000</u>	<u>(15,471,005)</u>	<u>(931,295)</u>

**7. Trade and other payables**

Certain creditors amounting to £562,542 have agreed to accept shares at a price of 2p per share in lieu of the amounts due to them.

**8. Commitments**

- a) Under an Agreement for the mining rights to tailing dumps dated 8 October 2009, the Company has contracted to issue 30 million ordinary shares of 1p each of the Company at a price of 2p each.
- b) Any further payments due under agreements are now subject to the securing of the rights to further adjacent dumps.

**9. Going Concern**

The Directors feel comfortable that with the new opportunities available and with an appropriate business plan, there is a reasonable chance that they can raise the additional funds necessary to meet the needs for the next 12 months to 31 March 2011.

For the Zambian business, the Directors advise that the Company has the option to trade on an off-take basis whereby the Company will have no initial material outlay, giving the Company positive cash flow.

For these reasons the Directors continue to adopt the going concern basis in preparing the financial statements.