

Company Berkeley Mineral Resources PLC
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Berkeley Mineral Resources PLC
31 March 2011

Berkeley Mineral Resources PLC (“Berkeley Mineral Resources”, “BMR” or “the Company”)

Interim results for the six months ended 31 December 2010

Highlights

- **The Company continued negotiations to complete the proposed acquisition of all the tailings dumps not previously owned at the Kabwe Mine, Zambia**
- **The capital costs of the planned processing plant and working capital to commence commercial operations at Kabwe are substantially funded; 444.8 million shares were issued to raise £11.8 million before expenses**

Post Period

- **Agreement signed to acquire the remaining Kabwe tailings dumps, long land lease and processing licence**
- **JORC-compliant Measured Mineral Resource defined for the Kabwe wash plant tailings**
- **Advanced negotiations commenced on a further significant potential acquisition identified in Zambia, primarily comprising copper tailings and for which extensive data exists. Other negotiations initiated**
- **£3.125 million raised from the exercise of warrants**

Masoud Alikhani, Chairman of BMR, commented:

“We are looking forward to the next stage of development at our tailings processing business at Kabwe.

With the planned acquisition of other tailings sites together with the Kabwe tailings, BMR has the potential to be a significant base metal supplier.”

31 March 2011

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CHAIRMAN'S REVIEW

I am pleased to be able to announce the Company's interim results for the six months ended 31 December 2010.

PERIOD UNDER REVIEW

Kabwe Acquisition

The Company continued the work necessary during the period to progress the acquisition of the remaining tailings stockpiles at Kabwe.

Over 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 lead and 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 2011 review of commodities markets issued last month, Barclays Capital said it expected the market for lead "to ultimately shift into a significant deficit by H2 2011" and that the world's zinc mines are "facing a declining ore reserve base".

Share and warrant issues

During the period, 444,842,261 shares were issued for a total consideration before expenses of £11,776,250. This will substantially fund the construction and commissioning of planned zinc and lead beneficiation plant and provide working capital to commence operations. These shares included 68,333,334 shares issued to warrant holders at an exercise price of 3p per share giving a consideration of £2,050,000.

POST PERIOD END DEVELOPMENTS

We were delighted to announce on 28 March 2011 the signing of a definitive acquisition agreement for the remaining stockpiles of lead and zinc tailings at the Kabwe Mine, Zambia (the '**Kabwe Acquisition**').

The Kabwe 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 the development of 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 of the Kabwe Acquisition 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.

RESOURCES

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 leading South African mining consultants The Mineral Corporation produced for BMR a mineral resources estimate for the wash plant tailings for the washplant slimes section of the stockpiles. 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 further 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 raised £3.125m in cash.

The potential acquisition is in Zambia and primarily comprises copper tailings. 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, at the date of publication of these results, there remain 8,571,428 outstanding warrants over shares in the Company, each with an exercise price of 9p per share.

RESULTS FOR THE PERIOD

For the six months ended 31 December 2010, the unaudited loss was £863,632 compared with a loss of £232,468 for the same period in the prior year. The results include share-based payment costs for the issue of share options of £433,440 (2009: £nil).

OUTLOOK

We are looking forward to the next stage of development at our tailings processing business at Kabwe. We already have a JORC standard Measured Resource for the washplant dumps at Kabwe and we will proceed to commission the JORC standard resource statement for the main leach plant dumps and appoint consultants to prepare the specification for the construction of an appropriate beneficiation plant.

Production is now scheduled to start in the second half of this year and we are in negotiations with potential off-take partners for the supply of zinc and lead concentrates.

The exercise of warrants post period end has allowed BMR to potentially fund another acquisition currently being negotiated and also to fund due diligence on a number of potential further acquisitions at minimal dilution to shareholders.

The outlook for the Company is now very positive. We have agreed to acquire, subject to conditions precedent and due diligence the rights to above-ground stockpiles containing substantial amounts of metal. Entering production of our first long-life project at Kabwe, with first cash generation later this year, will make BMR a significant base metal supplier.

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

M A Alikhani
31 March 2011
Chairman

Berkeley Mineral Resources Plc

Statement of Comprehensive Income For the period ended 31 December 2010

	Notes	Period ended 31 Dec 2010 Unaudited £	Period ended 31 Dec 2009 Unaudited £	Year ended 30 June 2010 Audited £
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Share based payments		(433,440)	-	-
Other administrative expenses		(431,255)	(227,155)	(499,966)
Total administrative expense		(864,695)	(227,155)	(499,966)
Finance expense		-	(5,313)	(8,572)
Finance income		1,063	-	25
Loss before tax		(863,632)	(232,468)	(508,513)
Taxation		-	-	-
Loss for the period attributable to equity holders of the Company		(863,632)	(232,468)	-
Other comprehensive income		-	-	-
Total comprehensive income for the period		(863,632)	(232,468)	(508,513)
Basic and diluted loss per ordinary share	5	(0.19)p	(0.09)p	(0.18)p

The results above were entirely derived from continuing operations.

Berkeley Mineral Resources PLC

Statement of Financial Position As at 31 December 2010

	31 Dec 2010 Unaudited £	31 Dec 2009 Unaudited £	30 June 2010 Audited £
ASSETS			
Non current assets:			
Property, plant and equipment	718,201	87,575	402,457
Total non-current assets	718,201	87,575	402,457
Current assets:			
Trade and other receivables	273,992	6,460	436,944
Cash and cash equivalents	10,617,611	409	142,234
Total current assets	10,891,603	6,869	579,178
Total assets	11,609,804	94,444	981,635
EQUITY and LIABILITIES			
Equity:			
Share capital	15,557,215	10,159,771	11,108,792
Share premium	8,630,506	2,702,939	3,542,710
Warrant reserve	1,504,988	-	-
Merger reserve	1,824,000	1,824,000	1,824,000
Retained earnings	(16,564,042)	(15,857,805)	(16,133,850)
Total equity	10,952,667	(1,171,095)	341,652
Attributable to:			
Equity holders of the Company	10,756,868	(1,366,894)	145,853
Non equity deferred holders of the Company	195,799	195,799	195,799
Total equity	10,952,667	(1,171,095)	341,652
Current liabilities:			
Trade and other payables	657,137	1,265,539	639,983
Total liabilities	657,137	1,265,539	639,983
Total equity and liabilities	11,609,804	94,444	981,635

Berkeley Mineral Resources Plc

Statement of Changes in Equity For the period ended 31 December 2010

For the six months ended 31 Dec 2010	Share capital £	Share premium £	Warrant reserve £	Merger reserve £	Retained earnings £	Total equity £
At 1 July 2010	11,108,792	3,542,710	-	1,824,000	(16,133,850)	341,652
Total comprehensive income for the year	-	-	-	-	(863,632)	(863,632)
Share based payments					433,440	433,440
Issue of shares and warrants	4,448,423	5,568,155	1,759,672	-	-	11,776,250
Share issue costs	-	(735,043)	-	-	-	(735,043)
Transfer on exercise of warrants	-	254,684	(254,684)	-	-	-
At 31 Dec 2010	15,557,215	8,630,506	1,504,988	1,824,000	(16,564,042)	10,952,667

For the six months ended 31 Dec 2009	Share capital £	Share premium £	Warrant reserve £	Merger reserve £	Retained earnings £	Total equity £
At 1 July 2009	10,009,771	2,705,939	-	1,824,000	(15,625,337)	(1,085,627)
Total comprehensive income for the year	-	-	-	-	(232,468)	(232,468)
Issue of shares	150,000	-	-	-	-	150,000
Share issue costs	-	(3,000)	-	-	-	(3,000)
At 31 Dec 2009	10,159,771	2,702,939	-	1,824,000	(15,857,805)	(1,171,095)

For the year ended 30 June 2010	Share capital £	Share premium £	Warrant reserve £	Merger reserve £	Retained earnings £	Total equity £
At 1 July 2009	10,009,771	2,705,939	-	1,824,000	(15,625,337)	(1,085,627)
Total comprehensive income for the year	-	-	-	-	(508,513)	(508,513)
Issue of shares	1,099,021	929,021	-	-	-	2,028,042
Share issue costs	-	(92,250)	-	-	-	(92,250)
At 30 June 2010	11,108,792	3,542,710	-	1,824,000	(16,133,850)	341,652

Berkeley Mineral Resources Plc

Statement of cash flows
Period ended 31 December 2010

	Six months to 31 Dec 2010 Unaudited	Six months to 31 Dec 2009 Unaudited	Year to 30 June 2010 (Restated see note 3)
	£	£	£
Cash flows from operating activities			
Loss before tax	(863,632)	(232,468)	(508,513)
Adjustments to reconcile net losses to cash utilised:			
Depreciation	2,575	1,287	2,573
Impairment of research and development assets	-	43,713	87,426
Share based payments	433,440		
Finance expense	-	5,313	8,572
Finance income	(1,063)	-	(25)
Operating cash outflows before movements in working capital	(428,680)	(182,155)	(409,967)
Changes in:			
Trade and other receivables	162,952	21,210	(409,274)
Trade and other payables	17,154	14,572	(43,441)
Cash utilised by operating activities	(248,574)	(146,373)	(862,682)
Interest paid	-	(313)	(8,572)
Net cash flow utilised by operating activities	(248,574)	(146,686)	(871,254)
Cash flows from investing activities:			
Interest received	1,063	-	25
Purchases of property, plant and equipment	(318,319)	-	(359,882)
Net cash used in investing activities	(317,256)	-	(359,857)
Cash flows from financing activities:			
Proceeds from share and warrant issues	11,776,250	150,000	1,465,500
Share issue costs	(735,043)	(3,000)	(92,250)
Net cash generated from financing activities	11,041,207	147,000	1,373,250
Net increase in cash and cash equivalents	10,475,377	314	142,139
Cash and cash equivalents at beginning of period	142,234	95	95
Cash and cash equivalents at end of period	10,617,611	409	142,234

Berkeley Mineral Resources PLC
Period ended 31 December 2010

Notes to the financial information

1. General information

Berkeley Mineral Resources plc (the “Company”) is a company incorporated in England and Wales under the Companies Acts 1985.

The address of the registered office is 3rd Floor, 19/20 Grosvenor Street, London, W1K 4QH.

2. Basis of preparation

The interim financial statements have been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (“IASB”) as adopted for use in the EU, which are expected to be applied in the Company’s financial statements for the year ended 30 June 2011.

The interim financial statements for the period 1 July 2010 to 31 December 2010 is unaudited, does not include all the information required for full financial statements and should be read in conjunction with the Company’s financial statements for the year ended 30 June 2010. In the opinion of the Directors the interim financial statements for the period represents fairly the financial position, results from operations and cash flows for the period in conformity with generally accepted accounting principles consistently applied. The interim financial statements incorporate comparative figures for the interim period 1 July 2009 to 31 December 2009 and the audited financial year to 30 June 2010. As permitted, the Company has chosen not to adopt IAS34 ‘Interim Financial Reporting’.

The annual financial statements of Berkeley Mineral Resources plc are prepared in accordance with International Financial Reporting Standards (‘IFRSs’) as issued by the International Accounting Standards Board (‘IASB’) and as adopted by the European Union (‘EU’). The Company’s annual financial statements for the year ended 30 June 2010, which received an unqualified opinion from the auditors and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006, have been filed with the Registrar of Companies.

3. Restatement of the Statement of cash flows

The comparatives for the year ended 30 June 2010 have been amended to exclude £562,542 from the cash outflows arising from the changes in trade and other payables and also from the cash inflows arising from the proceeds from share issues. This restatement is required in respect of shares issued to settle liabilities for this amount.

4. Dividends

The directors do not recommend the payment of a dividend.

5. Loss per ordinary share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period/year.

Due to the losses incurred during the period a diluted loss per share has not been calculated as this would serve to reduce the basic loss per share.

The calculation of the basic and diluted loss per share is based on the following data:

	Six months to 31 Dec 2010 Unaudited £	Six months to 31 Dec 2009 Unaudited £	Year to 30 June 2010 Audited £
Losses			
Loss for the purposes of basic loss per share being net loss attributable to equity holders of the Company	(863,632)	(232,468)	(508,513)
Number of shares	Number	Number	Number
Weighted average number of ordinary shares for the purposes of basic loss per share	454,078,277	262,776,507	281,691,724
	Pence	Pence	Pence
Loss per ordinary share Basic and diluted (pence)	<u>(0.19)</u>	<u>(0.09)</u>	<u>(0.18)</u>

6. Commitments and contingencies

- a) Under an Agreement for the acquisition of the processing rights to all the tailing dumps at Kabwe, the Company has contracted to issue 80 million ordinary shares of 1p each of the Company, and pay US\$2.5 million for the processing rights to tailing dumps in the Kabwe region of Zambia.
- b) The Company is pursuing legal action for the recovery of an amount receivable relating to the old technology business. No amounts have been recognized in respect of this.

7. Going concern

These interim financial statements have been prepared on a going concern basis.

8. Events after the reporting date

The Company signed an Agreement to acquire, subject to due diligence, Enviro Mining Ltd which will own the remaining stockpiles of the lead and zinc tailings at Kabwe Mine, Zambia. The Company raised £3.125 million from the exercise of warrants to fund a potential acquisition in Zambia.