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BERKELEY MINERAL RESOURCES PLC

OPTION ON KABWE TAILINGS DUMPS SECURED

Berkeley Minerals Resources plc, ("BMR" or "The Company") which is primarily engaged in processing mining tailings, is delighted to announce that it has secured an option to secure the rights to process the remaining stockpiles of lead and zinc tailings at Kabwe Mine, Zambia.

Highlights:

- * Signing of exclusive option agreement over all the remaining tailings stockpiles at Kabwe**
- * Estimated over 7,000,000 tons of high-grade lead and zinc tailings**
- * Proposed commencement of lead and zinc sales in the second half of 2010**
- * Propitious timing to coincide with world supply constraints**
- * Reprocessing will contribute to remediating the environment at Kabwe**
- * Further placing to raise £250,000**

The negotiations to secure the rights to process the tailings at Kabwe referred to in previous announcements on 18 December 2009 and 22 March 2010 have now been completed. BMR has paid US\$100,000 to secure an Exclusivity Option over the whole of the remainder of the stockpiles of lead and zinc tailings. BMR has appointed independent consulting firms to verify the mineralisation, the metallurgy and the processing technology.

The rights to process the tailings at Kabwe are being secured from Sable Zinc Kabwe Ltd, a wholly owned subsidiary of Johannesburg-quoted Metorex Limited. The option is for a period of 60 days from 27 May 2010 during which BMR will be carrying out resource, development and legal due diligence prior to completion.

In order to exercise the option, BMR will be required to pay US\$3.0 million. In addition, if it exercises the option, BMR will issue 80m shares to South African-based company Dorset Solutions Ltd which assisted BMR in securing the option.

The Kabwe mine operated from 1904 until it closed due to low metals prices in 1994 and was one of the highest-grade zinc/lead mines ever discovered, with grades between 18% and 25% metal. Historical processing was by simple flotation and the volume of metal left in the tailings is therefore high.

The waste dumps at Kabwe cover an area of about 1km² and 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.

If BMR exercises the option, it is currently intended that processing will be conducted in two Phases:

Phase One: the washplant slimes dumps.

These dumps include residue historically produced at Kabwe through the washing of concentrates. Metal contained in the Phase One slimes tailings is estimated to total 41,030t of zinc and 49,380t of lead.

Because of the high combined grade, this section of tailings is believed to be readily saleable without further processing and off-take is scheduled to commence in the second half of 2010.

Phase Two: the stockpiles of residue tailings dumps.

BMR is intending to retain a leading tailings treatment organisation to design, build and operate a new beneficiation plant at Kabwe to process the stockpiles. It is estimated that the new plant will be ready to commence production of industry-standard concentrates from the end of 2011 at a rate of 36,000 tons of zinc 55% concentrate and 16,000 tons of lead 70% ingot per annum.

Masoud Alikhani, Chairman of BMR, commented:

"The culmination of over two years' work on securing rights to process these substantial resources will effect a transformation of Berkeley Mineral Resources into a significant supplier of two essential base metals. We have secured the resources at an excellent time to supply the increasing market demand.

"At the same time as harnessing the value in the Kabwe dumps we will be removing a major local source of pollution, helping the environment and providing much-needed employment in a depressed area of Zambia. With early cash-flow and the prospect of over 10 years of revenues ahead from the tailings we look forward to being able to reward our shareholders, whom we thank for their patience."

The Company has raised an additional £250,000 at 2p per share pursuant to a placing of 12,500,000 new ordinary shares. It has also agreed to issue 1,025,000 shares at 2p per share to a Consultant in lieu of payment of fees of £20,500. Application will be made to the London Stock Exchange for the 13,525,000 ordinary shares to be admitted to trading on AIM and dealings are expected to commence on 7 June 2010.

Following the allotment of the 13,525,000 ordinary shares, the Company's issued number of ordinary shares of 1p each and therefore its total number of voting rights will be 365,784,197.

1 June 2010

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Notes for 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. Berkeley'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 1km².

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

This information is provided by RNS
The company news service from the London Stock Exchange

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