

**Company** Berkeley Mineral Resources PLC  
**TIDM** BMR  
**Headline** Copper Option Agreement Signed  
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**BERKELEY MINERAL RESOURCES PLC**  
("BMR" or the "Company")

**Option Agreement over Copper Tailings Assets in Chingola**

Berkeley Mineral Resources is focussed on processing stockpiles of mining tailings. As previously announced the Company has secured the land and licences pertaining to stockpiles of lead and zinc tailings at the Kabwe mine in central Zambia.

BMR now announces the signing of an Option Agreement which gives BMR the exclusive right to carry out due diligence on substantial stockpiles of copper tailings located in the Chingola area in the north of Zambia, about 220km from Kabwe. The Option is in respect of stockpiles at three separate areas located within a 7km radius of each other.

Zambia Consolidated Copper Mines Ltd ("ZCCM"), the parastatal mining company, produced closure records in which it estimated the total above-ground resources remaining in the three areas concerned to be 98.9 million tonnes of tailings. In aggregate, ZCCM estimated that these tailings contain 1,445,000 tonnes of copper metal. All historic estimates are not JORC compliant and have not been verified at this time and therefore cannot be relied upon for economic assessment purposes.

The Option Agreement permits BMR to conduct due diligence for a period of 90 days from the lifting of the state moratorium on the transfer of already-issued licences currently in place in Zambia, with the right to extend that period by a further period of 90 days at extra cost. The Option fee payable by BMR is US\$275,000.

Upon exercise of the Option, BMR may then acquire 80% of the three stockpiles areas, together with the relevant small-scale licences and intellectual property pertaining to each stockpile. On the basis that BMR elects to acquire all the stockpiles in all three areas, the cost to be satisfied by BMR will be US\$6.5m in cash and the issue to the vendors of some 257m Ordinary BMR shares at a value of 6p per

share. A further condition of acquiring the 80% interest will be the obligation to finance the construction of a beneficiation plant to a value of US\$25m. The plant, which will remain the property of BMR, will be designed to produce an estimated 2,000 tonnes of blister copper per month.

When production commences, the vendors will be entitled to royalties on feed tonnes, payable when copper product is produced and sold, with a guaranteed minimum of US\$14m of royalties. The vendors will retain a 20% interest in the project and, under a shareholders agreement, provide a strong contingent of management and key personnel.

**Masoud Alikhani, Chairman, commented:**

*"Zambia is already the world's third largest exporter of copper. Substantial long-term profits and cash-flow will accrue to us from the compelling economics of the resources BMR can acquire at Chingola. Processing the resources will also allow us to contribute to the country's targets for increased copper production through the exploitation of legacy deposits, without impinging on below-ground reserves or resources. In achieving these aims, we will be aided by the experience we have gained through developing our tailings assets at Kabwe".*

20 December 2011

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