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Berkeley Mineral Resources PLC
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Berkeley Mineral Resources Plc ("BMR" or "the Company")

Placing to raise £2 million to acquire additional tailings dumps at Kabwe

Berkeley Mineral Resources Plc, an AIM listed company engaged in the reprocessing of tailings dumps at Kabwe in Zambia, announces that it has conditionally raised a total of £2.05 million before expenses by way of a placing of 136,666,666 new ordinary shares at a price of 1.5p per share ("Placing"). For every two placing shares subscribed, the placees are being issued a warrant exercisable at 3p.

These funds have been raised for the exercise of the option to secure the rights to process the remaining tailings dumps acquire at the Kabwe Mine in Zambia, as previously announced on 1 June 2010. The Placing is conditional on the option being exercised.

The Company is currently in the final stages of conducting its legal and metallurgical due diligence on the tailings dumps and expects to be in a position to exercise its option on or around 19 August 2010.

The rights to process the further stockpiles of zinc and lead tailings will strengthen the economics of the project. There are an estimated 7,000,000 tons of high-grade lead and zinc tailings with associated minerals and it is expected that sales of lead and zinc will commence in the fourth quarter of 2010.

Application will be made to the London Stock Exchange for the 136,666,666 ordinary shares to be admitted to trading on AIM following the exercise of the option and it is expected that dealings will commence on AIM in the new ordinary shares on 20 August 2010.

Application will also be made for the admission to trading on AIM of 80,000,000 shares that BMR has agreed to issue to a South African-based company, Dorset Solutions Ltd, which assisted BMR in securing the option and it is expected that dealings will also commence on AIM in these ordinary shares on 20 August 2010.

Following completion of the Placing and exercise of the option, the Company will have 582,450,863 shares in issue.

Masoud Alikhani, Chairman of Berkeley Mineral Resources Plc, commented:

"These additional funds will allow BMR to proceed promptly with the exercise of the option following resource verification, which we expect to be completed very shortly. All the material has already been mined and is above ground and all the necessary infrastructure is in place. With initial sales expected to commence later this year we can generate early cashflow and rapidly move into profit".

13 August 2010

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Notes to 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 and contain over 7m tons of various waste residues with an estimated combined metal content of 455,000t zinc and 368,500t lead.

BMR benefits from the existing infrastructure at Kabwe, including processing plant, good roads, water supply, ample power, local labour and direct on-site sidings connection to overseas markets via international railways to South Africa and to Indian Ocean ports.

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

The directors of Berkeley Mineral Resources accept responsibility for this announcement.

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

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