

Company	Berkeley Mineral Resources PLC
TIDM	BMR
Headline	Proposed Placing & Acquisition
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Berkeley Mineral Resources PLC
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BERKELEY MINERAL RESOURCES PLC
("BMR" or "The Company")

Proposed placing and acquisition

Berkeley Mineral Resources Plc, which is primarily engaged in processing mining tailings, announces that it has entered into an underwriting agreement ("Underwriting Agreement") with Novum Securities Limited ("Novum") pursuant to which Novum has agreed to seek subscribers for 145,000,000 new ordinary shares in the capital of the Company ("Placing Shares") at a price of 4p per share ("Placing Shares"). Pursuant to the terms of the Underwriting Agreement, the Placing Shares have been subscribed in full by a single large UK financial institution. In addition to the Placing Shares, the Company will issue one warrant for every two Placing Shares subscribed, exercisable at 6p per warrant at any time up to three years from issue.

The Underwriting Agreement has been entered into in connection with the possible acquisition by the Company of a business located in Zambia for which the Company is currently seeking preferred bidder status ("Proposed Acquisition"). There can be no certainty that the Proposed Acquisition will proceed and further announcements will be made in due course if appropriate.

The Underwriting Agreement is conditional, inter alia, on the Proposed Acquisition having become unconditional in all respects save as to any obligation with regard to the payment of consideration and the admission of the Placing Shares to trading on AIM (which must occur prior to 8.00 am on 11 July 2011 or if Novum agrees to waive or extend time for fulfilment of such conditions, not later than 8.00am on 16 July 2011) (the "Long Stop Date").

Novum may at any time waive the conditions in the Underwriting Agreement (save for the condition relating to Admission to trading on AIM) and as a result the Placing Shares may be issued in full or part at any time prior to the Long Stop Date.

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

"The potential acquisition will advance the Company's plans by 10 months, thereby transforming its prospects. Combined with the agreements that we have in place at Kabwe, which we expect to finalise shortly, and Luanshya it will further enhance BMR's near term future".

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Notes for Editors

BMR is a minerals company with a primary strategy of investing in tailings processing. By accessing above-ground 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 dumps site into a single entity operating under a single Small Scale Mining Licence.

The Roan Antelope deposit was discovered in 1902 by prospector William Collier who shot a buck which fell onto an outcrop of almost pure copper. It has mined copper since 1911 and the extensive tailings are all within 4km of the original mine.

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

This information is provided by RNS
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