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## **BERKELEY MINERAL RESOURCES PLC**

### **UPDATE ON KABWE TAILINGS**

Berkeley Minerals Resources plc ("BMR" or "The Company"; AIM: BMR), which is primarily engaged in processing mining tailings, is pleased to provide an update on progress following the granting of an option to secure the rights to process the entirety of the remaining stockpiles of lead and zinc tailings at Kabwe Mine, Zambia.

In order to ensure that verification is completed swiftly, BMR has appointed international mining project management company Turner and Townsend to oversee the process.

Legal due diligence is proceeding well following the appointment of a leading Lusaka-based law firm to work alongside BMR's UK lawyers. As well as reviewing the transfer of existing licence and property rights, the Company is forming a Zambian-registered subsidiary to carry out operations in the country.

#### **Phase One Verification**

The mineral and metallurgical due diligence programme is proceeding to time and to budget. Leading South African drilling company Dump and Dune were contracted to drill the washplant slimes section of the stockpiles and SGS has been retained to provide mineral grade and metallurgical assays. Integrated Mapping Solutions have been appointed to provide a base model for volume analysis.

Phase One drilling required 17 drill holes which were completed on 19 July. Assay results from SGS are scheduled to be provided by the middle of August. A 50 kg bulk sample for metallurgical analysis has also been taken and Mintek is now carrying out the metallurgical tests.

Independent assays were carried out in 1997 by DEG Germany and Hansa Consult GmbH. Assays were completed by OMAC Laboratories, Ireland and the Kabwe Mine Laboratory, Zambia. These estimated that at that time this section of the stockpiles comprised 411,500 tons of material at an average grade of 21.78%, containing 40,240 tons of zinc and 49,380 tons of lead. In addition to verifying the

grades, SGS will be assaying the cores for base metals other than zinc and lead and for precious metals and Rare Earths.

Leading South African consultants The Mineral Corporation have been retained to provide the resource verification to JORC-compliant Measured and Indicated Resource standard for the washplant slimes.

The Mineral Corporation has two geologists on site at Kabwe and will be providing a Competent Person Report at the end of this process. The Phase One Report is expected by mid-August. BMR intends to exercise the option after the provision of this Report.

### **Phase Two Verification**

Previous independent assays estimated that the rest of the Kabwe stockpiles, known as the leach residue sections, comprised 6.7 million tons grading 4.5% zinc and 4.6% lead containing 434,000 tons of metal. The drilling of 40 twin boreholes and assaying of cores in these sections required under JORC standards is currently being carried out.

The verification of BMR's existing dumps of slag material will follow and will require 30 single boreholes to provide assay samples.

Phase Two verification is to be completed by the end of September 2010.

### **Processing and Production**

The Phase One high grade washplant slimes section of the stockpiles is capable of immediate sale to processors. BMR has already received detailed off-take tenders for this material which can be lifted and exported at a rate of 5,400 tons per month, commencing in September 2010.

Leading South African metals processing company Metanza and international consultants Mintek have been instructed to prepare verification mineralogical and metallurgical testwork to estimate the recovery of zinc and lead from the Phase Two resources. Detailed testwork was first conducted by the Zambian State mining company ZCCM in 1988.

Metanza will then proceed to specify the flotation process best suited to maximise recoveries of the leach residues and estimate capital and operating costs for the establishment of a processing plant. It is currently estimated that, processing at a rate of 60,000 tons per month the plant will have an 11-year mine life producing a standard 55% zinc concentrate.

### **Masoud Alikhani, Chairman, Berkeley Mineral Resources, commented:**

*"Despite already having substantial independent legacy data confirming the resources we have secured at Kabwe we have decided to invest in a highly professional verification process to bring them up to JORC standard prior to exercising the option."*

*"Initial sales of washplant stockpiles are expected to commence in September and these will generate significant cash flow which will help us to develop and process the remainder of the site - a total of 6.7 million tonnes of material grading over 9% lead and zinc combined, plus possible other metals."*

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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 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. Original infrastructure, including power, roads and direct railway connections to South Africa and Indian Ocean ports from sidings beside the Kabwe tailings dumps, remains in place.

The waste dumps at Kabwe cover an area of about 1km<sup>2</sup>.

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

This information is provided by RNS  
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