

RNS Number : 9708D
BMR Group PLC
03 May 2017

BMR Group PLC ("BMR" or the "Company")

GENERAL UPDATE

The Directors are pleased to update shareholders on BMR's progress in respect both of the construction project at Kabwe and of its interests elsewhere.

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

KABWE

Plant construction

The Directors are pleased to report that construction of the Kabwe plant remains on track with construction scheduled to complete in the fourth quarter of 2017, ahead of the start of commissioning by the end of the year. Provided construction and commissioning remain on track, the Directors would anticipate production commencing in the first quarter next year.

ACI drawdown

As announced on 31 March 2017, the Company initiated the first drawdown under its \$5.2 million project construction and trade finance facility with African Compass International Limited ("ACI").

ACI has advised BMR that it expects to complete the transfer of \$900,000 as the first stage payment under the facility in early May 2017. These funds are scheduled to be deployed to finance the ongoing construction and for working capital purposes.

The Directors intend to announce each drawdown as it is completed.

Zambia Environmental Management Agency ("ZEMA")

Subject to clarifying the location of monitoring stations, ZEMA has given its in principle 'non-objection' approval to the plans submitted by the Company's environmental consultants, J A Consultancy, for the monitoring of air, water and personal health conditions attached to the issuance of the ESIA (Environmental Social Impact Assessment). Such formalised approval would permit the Company to operate the plant to process the WPT and LPR waste products.

J A Consultancy has now started work on the EPB (Environmental Project Brief) for approval to build the vanadium pentoxide recovery processing circuit, which is expected to be submitted to ZEMA within the next two months.

Imperial Smelter Furnace Slag ("ISFS")

The Directors announce that BMR has initiated testing of the recovery of vanadium from the ISFS with Alfred H Knight.

Drone video

A video of the Kabwe mine tailings, ongoing site construction and Kashitu exploration has been released and can be found on the Company's website (www.bmrplc.com).

STAR ZINC

The Directors intend to complete the acquisition of Bushbuck Resources Limited's Large Scale Prospecting Licence 19653-HQ-LPL (Star Zinc") as further funds are drawn down under the ACI facility.

KASHITU EXPLORATION PROGRAMME

In respect of BMR's geological exploration programme in the Kashitu section of the Kabwe large scale mining licence, the Directors are pleased to report that independently verified assay results by Misenge Environmental and Technical Services Ltd of the Phase 2 drilling samples have returned grades up to 24.86% of zinc, 10.73% of lead and 206 g/tonne of Silver. The average Zinc grades in Phases 1 and 2 drilling programme which was based on a one metre deep auger drilling programme and a 50m x 50m grid, have in the BMR geologist's opinion delineated a core high grade zone in excess of 5% zinc.

In light of these results, the Company has initiated a Phase 3 and 4 to the east of its large scale mining licence, to further delineate the extent of the surface mineralisation.

ESTER LICENCE, PORTUGAL

Finally, the Board is pleased to announce that, having concluded the mineralogical examination of samples from the Regoufe area of the Ester licence, a UK metallurgical laboratory has commenced scoping metallurgical test work based on materials collected from that area to identify potential process routes and metal recoveries of tungsten, tin and precious metals.

Note: This announcement has been reviewed by Geoff Casson, B.Sc. (Hons), PhD, R Eng (Zambia), Member Engineering Institute of Zambia (Metallurgy), General Manager of the Company's Zambian subsidiary, Enviro Processing Ltd, who is a Qualified Person in accordance with the guidance note for Mining, Oil & Gas Companies issued by the London Stock Exchange in respect of AIM Companies.

Alex Borrelli, CEO and Chairman, commented: " We are pleased to announce good progress in all areas of our activities and note particularly the progress on the construction of our Kabwe plant."

Ends

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