

20 August 2018

BMR Group PLC (“BMR” and the “Company”)

Background to Delisting and Strategy

Background

The Company had initially intended to raise its own funding and employ its own resources at its Kabwe project for the construction, commissioning and operation of the intended pilot plant for processing the tailings stockpiles (the “Kabwe Project”). To reduce the inherent risks, and thereby enhance the outcome, the Company subsequently determined that it should enter into the agreement with Jubilee Metals Group PLC (“Jubilee”), announced on 23 October 2017, so as to access Jubilee’s more extensive funding and engineering capabilities and expertise.

In furtherance of the relationship with Jubilee, the Company announced on 15 January 2018 that Jubilee had subscribed for new BMR shares representing a 29.01% holding in the Company, in exchange for £500,000 in cash and the allotment to the Company of new Jubilee shares representing a holding for the Company of 4.83% of Jubilee’s capital. Lock-in arrangements were also announced, but the Company has been able to utilise some of its holding of Jubilee shares towards its operating costs, and the balance of the holding represents a significant balance sheet asset for the Company.

On 7 February 2018, the Company announced the suspension of trading of its securities on AIM following receipt of a letter from the Mining Cadastre Department of Zambia terminating its mining right in respect of the Kabwe Project. This licence was re-instated on 5 April 2018, with conditions attached. The new conditions included: (i) plant construction commencing within three months of 3 April 2018; (ii) completing plant construction and commissioning by 30 September 2018; and (iii) commencing production by 30 December 2018. In addition, the Company is to submit a detailed employment and training plan; contribute to the Environmental Protection Fund in accordance with the Environmental Management Act, No. 12 of 2011; and comply with the Mines and Minerals Development Act 2015 and other relevant laws of Zambia.

Jubilee announced on 2 July 2018 the completion of its initial detailed technical and engineering review of the Kabwe Project and determined a revised process for the recovery of lead and zinc in the surface material, with enhanced processing flows and increased through-flow capacity. Jubilee determined as a consequence that a larger plant should be built at a significantly increased cost. The enhanced process flowsheet offers the potential for improved capital efficiency and reduced circuit complexity. It targets the recovery of zinc ahead of, and independently of, lead and vanadium. The construction of the zinc recovery circuit has been prioritised and is expected to commission well in advance of the lead and vanadium recovery circuits. This approach allows the construction of the

zinc recovery circuit to progress while the development and design of the lead and vanadium recovery circuits are further refined. It is now anticipated that the process flowsheet design will be completed during Q3 2018 targeting commissioning of the zinc recovery circuit by mid-2019.

As a result of these changes, the expected costs of construction and commissioning of the processing facility have increased. This gives the potential for greater net returns, even after taking into account the price of acid which has increased significantly since the time of BMR's original costings and would have had a significant adverse impact on the Company's former plans.

Under the terms of the agreements with Jubilee announced on 2 May 2018, a proportion of the costs of the enlarged processing facility in excess of the £2.3 million committed by Jubilee would have fallen to be borne by the Company. As events in Zambia unfolded, BMR determined that it was unable to commit to its share of the uncertain level of increased costs (the amount of which remains to be determined in light of the finalisation by Jubilee of its plans for the larger plant referred to above) and decided to eliminate its capital risk for the certainty of returns, choosing to dispose of the Kabwe Project to Jubilee in return for a 12.5% royalty arrangement (the "Disposal"), thereby substantially de-risking its position for the benefit of shareholders and on terms that, as Jubilee announced on 6 August 2018, "should the total capital investment of Jubilee to fully execute the project exceed US\$15 million, BMR's shareholding shall immediately dilute to a fixed 11% shareholding".

Appointment of a new nominated adviser ("nomad")

WH Ireland, BMR's nomad, resigned on 2 July 2018 and therefore the Company had one month to appoint a new nomad or the Company would be de-listed from AIM. BMR had secured the agreement to act of a replacement nomad for the Company, subject to shareholder approval of the Disposal. The Disposal was a condition precedent due to continued uncertainty regarding the renewal of the Kabwe mining licence and the uncertainty as to whether BMR could fund its share of the increased costs required to maintain the plant and on-going project expenditure.

The proposed new nomad had visited Kabwe and had wholly completed its due diligence. The related circular for the Disposal was finalised and on the point of being despatched, subject to agreements being entered into. While the proposed new nomad had been in contact with AIM on the proposals with a view to being appointed by 3 August 2018, it became apparent that delisting would nonetheless occur on 8 August 2018 because the Disposal would not have been approved by shareholders before that date (being the date six-months from the date of suspension) due to the time-scale for convening the General Meeting. As a result, BMR's admission to AIM was cancelled on 3 August 2018.

Notwithstanding the suspension, following the Disposal the Company would have become an AIM Rule 15 shell company and the Directors believe that AIM's position was related to the continued uncertainty over the licence conditions for the Kabwe project as well as the ongoing financial commitments associated with the project.

Reasons for the Disposal

The Directors' objective was to maintain an ongoing financial interest in the Kabwe Project without further financial obligations, to increase the level of certainty that BMR would be able to deliver a successful conclusion for its shareholders. The terms of the Disposal, retaining for the Company a 12.5% interest in the significantly enlarged project, achieved that objective on the best terms at that time available to BMR. The Directors completed the Disposal subsequent to the delisting obviating the need for shareholder approval and the delay in holding a General Meeting.

The Directors believe this was a successful outcome for BMR in the circumstances as they rapidly evolved, and that the Disposal is in the best interests of the Company, having considered other potential sources of funds and partners for the project, due to the following reasons: 1. As a result of the changes to the planned processing methodology, with consequently increased flow-through capacity and requiring a larger plant, the expected costs of construction and commissioning of the processing facility have increased significantly (the

final level still being uncertain), and the Directors had no certainty that BMR would have been able to fund its share of these as yet unquantified costs; 2. The revised plans require further negotiation over the Company's licence and there is a risk of that process not being successfully concluded or the Company being able to meet the current licence conditions. The Directors believe this risk is substantially reduced by the Disposal. 3. The Directors did not believe, given the respective positions of the Company and Jubilee, (and remain of the same view) that the terms of the Disposal could have been materially improved to the Company's benefit by further negotiation attempts.

The Company's status following the Disposal

The Directors have been in continued discussions with the potential investors for the proposed subscription of £1m, last announced on 2 May 2018, whose position and willingness to proceed became subject as matters evolved to clarification of the licence conditions. Following the Disposal and while these licence conditions remain unclarified, the potential investors have withdrawn their proposed subscription.

The Directors will now re-set BMR's strategy as it continues its path as a junior mining company, supported by its interests in Kabwe (as above) without any obligations to fund the plant going forward, the Large-Scale Mining Licence, Star Zinc and the Ester project in Portugal.

Alongside that, with the full support of Jubilee as the largest holder of the Company's shares, the Directors have already begun reviewing alternative trading platforms for the Company's shares.

As a result of the share subscription announced on 15 January 2018, Jubilee holds 97,371,298 ordinary shares in BMR (the "BMR Subscription Shares") representing 29.01% of the issued share capital. BMR initially held 63,166,969 ordinary shares in Jubilee (the "Jubilee Subscription Shares") and, as announced on 11 June 2018, BMR holds 46,503,697 ordinary shares in Jubilee representing 3.55% of the issued share capital, valued at £1.116 million based on Jubilee's current share price of 2.4p per share.

Both the Company and Jubilee are subject to lock-in and orderly market arrangements on the same terms: (a) following admission of the shares, 25% of both the BMR Subscription Shares and the Jubilee Subscription Shares will be free-trading with the balance subject to lock-ins by, respectively, the Company and Jubilee; (b) after 6 months, a further 25% of both the BMR Subscription Shares and the Jubilee Subscription Shares will be released from the lock-in and will be free-trading; (c) after 12 months the balance of shares (being 50% of both the BMR Subscription Shares and the Jubilee Subscription Shares) will be released from the lock-in and will be free-trading; and (d) for the initial 12 months following completion, any free-trading shares shall be subject to an orderly market agreement whereby, before any disposal, the selling party must give the broker of the respective company, not less than 20 business days to provide matching buyers for the shares offered for sale.

The Directors expect to announce further up-dates as events materialise to be available on <http://www.bmrplc.com>