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

Option to acquire controlling interest in the Ester Project in Portugal with a tungsten and tin exploration concession

BMR is pleased to announce that, on 11 November 2016, it entered into an option to acquire an 80% interest in an exploration concession for tungsten, tin and potentially other minerals including gold and silver, over the property known as 'Ester' in Northern Portugal with previous historic workings (the "Ester Project"). The option was granted by Mineralia-Minas, Geotecnia E Construcoes, LDA, ("Mineralia") a private Portuguese geological and engineering company which holds a number of exploration concessions granted by the Government of Portugal.

The decision to enter into this joint venture (JV) agreement has enabled BMR to secure a unique opportunity in a strategically important sector of the mining industry and at the same time meet the Company's strategy to grow, through both carefully targeted joint ventures and acquisitions. BMR believes that the decision to enter into this JV with Mineralia meets these criteria.

The option, which has a term of 12 months, is exercisable upon the expenditure by BMR of €140,000 which will be used primarily to fulfil the next 12 months' exploration costs required under the exploration concession. Upon exercising the option, the Ester Project will be transferred into a joint venture company to be owned 80% by BMR, which will appoint a majority of its board of directors. Mineralia will act as project operator in co-operation with BMR.

BMR has agreed, subject to exercise of the option, to pay deferred consideration to Mineralia of €100,000 upon the grant of a preliminary exploitation licence and €1,000,000 upon the grant of a definitive exploitation licence, in each case in respect of the Ester Property (the "Ester Licence").

The Ester Licence

The Ester Licence comprises 327 km² and hosts the historic Rio de Frades (Frades) and Regoufe wolfram mines, last operated during the Second World War. The Ester Licence is located in the Portuguese tungsten belt, approximately 70 kms north of the Pansquiera mine which is currently the only operating tungsten mine in the region. As part of its due diligence, BMR has commenced preliminary fieldwork and is working closely with Mineralia, analysing historic archived data, and the results of an aerial drone photographic survey designed to assist in the geological interpretation of the first target area. This will be followed up with field mapping with a view to identifying drilling targets. The strategy is to focus on the site of the historic Regoufe mine, where extensive mineralised surface vein structures have been identified. The likelihood of these structures hosting more than wolfram is borne out by the assay results of selected samples from the Regoufe mine waste rock dump that returned grades of up to 0.3% wolfram; 0.81% tin; 0.83g/t gold and 12.2g/t silver.

Other random samples collected from sites within the Ester Licence returned grades of 251 g/t Ag, 2 g/t Au, 0.5% Cu, 0.81% Sn 0.4% W and 0.5% Zn offering further exciting potential.

Tungsten

In 2015, tungsten was one of the raw materials identified by the British Geological Survey, the US Department of Defence and the European Commission as a 'critical' raw material due to its economic importance and supply risk.

Its main application is in the machine tool industry and as an alloy in the production of specialist high strength steels for use in the aerospace industry.

While northern Portugal has a long history of mining tungsten, currently China remains the world's largest supplier.

About Mineralia and Adriano Barros, MD

The Managing Director of Mineralia is Adriano Barros, who graduated with a Degree in Mining Engineering from the University of Oporto, Portugal in 1970. The early part of his career was spent working in the Portuguese tungsten mines and base and precious metal projects, taking them from exploration through to production stage. Since then he has been one of Portugal's leading exploration and mining consultants, actively promoting the Portuguese mining sector. In addition to working as a lecturer at several leading Portuguese universities, Adriano Barros worked for Auspex Minerals and Eurozinc Mining Company in the 1990's and early 2000's, when he played a pivotal role in the acquisition of the Aljustrel Mine and the Neves Corvo Mine, Europe's largest copper mine, in 2004. Recently he was awarded the prestigious "Ordem dos Engenheiros" by the Engineers Association of Portugal. Adriano commented that "We are delighted with this opportunity to work closely with BMR for the development and future success of this extraordinary project."

Appointment of Project Development Consultant

BMR is pleased to announce the appointment of Peter Kilroy as Project Development Consultant, for the Ester Project. Peter is a Mining Engineer having graduated from the University of the Witwatersrand, South Africa, later obtaining an MSc from the Royal School of Mines, Imperial College London. During his career he has worked for Anglo American Corporation, BHP Billiton and later as a mining consultant on a wide range of projects in Africa, Europe and South America. Peter is a Portuguese speaker and is able to bring a wide range of managerial and organisational skills to this assignment.

Alex Borrelli, Chairman, commented:

"We are delighted to have secured this option over the Ester Property, which has the potential of enabling BMR to expand its interests in the natural resources sector as well as geographically, for value creation.

"We are also pleased to be working closely with Mineralia and with Peter Kilroy, whom Jeremy Hawke and I have known for a number of years, who together comprise a highly experienced team for the Ester Project."

Ends

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