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BMR Group PLC
17 November 2016

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

Kabwe Plant Construction Update

The Board is pleased to announce the following update on the progress at Kabwe.

Plant Construction Update

a) Civil Works

Marking out and excavation of the thickener, leach and precipitation tank foundations will be completed this week ready for steel fixing, shuttering and concreting to start. Two crews will be working in tandem to complete as much of this work as possible before the Christmas holiday.

b) Mechanical - Tanks, Thickeners and Filter Presses

All stainless steel tanks for the leach/precipitation/zinc re-leach have been ordered and will be completed by Christmas ready for shipment. The mild steel precipitation and lead leach tanks manufactured in Kabwe are currently undergoing inspection and testing prior to acceptance. The lime and limestone mixing tanks for the precipitation stage are currently under construction. Agitator mechanisms for the tanks have started to arrive on site.

A supply and delivery contract to Kabwe has been negotiated with Roytec South Africa for all thickeners, filter presses and the automated flocculant dosing units. By our negotiation of the contract covering all these items, important savings have resulted to the Company. Roytec South Africa is able to offer commissioning services and technical backup in Zambia.

c) Horizontal Belt Filter (HBF)

A redundant, unused HBF has been located and purchased from a copperbelt mining company in Zambia at a significant saving for the Company. This purchase is viewed by the Board as a key piece of mineral processing equipment and arrangements are being made to move the unit to Kabwe in the coming weeks.

d) Electrical

An additional 500 kVa capacity transformer has been installed and commissioned at the plant site as part of the programme to meet the anticipated demand.

Plant Commissioning and Production Ramp-up Target Dates

Provisional target date for plant commissioning has been delayed to mid 2017, as a result of the lead times on deliveries of major items of capital equipment, when BMR will initially process wash plant tailings ("WPT") feed. BMR then envisages ramping-up production in two further stages.

After commissioning, the Board estimates that approximately 12 months will be required to assess fully the performance of the plant as designed before embarking on the first stage to increase production. This will be achieved through an incremental increase in tonnage throughput by the introduction of an equal tonnage of Star Zinc high grade ore to combine with the WPT feed. The result will be a significant increase in zinc production. Lead production will not be affected. With the exception of the acid brine leach and the lead recovery sections, this first stage plant expansion can be achieved by adding modules to the existing plant.

The second stage ramp up is planned to coincide with the processing of leach plant residue ("LPR") and imperial smelting furnace slag ("ISFS"). The tonnage throughput is likely to be made up of 2:1 ratio of LPR and ISFS combined with an equal tonnage of Star zinc ore. As announced on 3 October 2016, additional metallurgical investigation work is required to assess the extent of the modifications required to the acid brine leach section of the plant. This metallurgical test work will now be extended to investigate the impact of introducing the Star Zinc ore to the feed. Details of the test work results will be advised in due course. Provisional target date for commissioning this second stage is 2020.

Vanadium

The appointment of Alfred H Knight, an accredited metallurgical lab in Kitwe has been accepted by the Minerals Consultancy Corporation (MCC) to carry out confirmatory metallurgical test work to meet the criteria for the JORC report. In the announcement of 3 October 2016, it was stated that the in-situ ISFS vanadium potential amounted to 9,000 tonnes, which is equivalent to a grade of 0.6%, which was the assayed figure of the random sample used for the test work.

Appointment of a Plant Construction Manager

The Board is pleased to announce that it has contracted the services of Jeff Livesey to manage the construction of the Company's tailings re-treatment plant at Kabwe. Jeff is a professional plant construction manager who has recently completed a series of projects for different divisions of the Anglo American group in South Africa. He will be resident in Kabwe during construction until the plant is commissioned.

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.

A further announcement concerning anticipated costings and process and output volumes will be made in due course.

Similarly, BMR expects to make a further announcement shortly concerning the exercise of the option agreement with Bushbuck Resources Limited of Zambia to acquire its Large Scale Prospecting Licence 19653-HQ-LPL (Star Zinc), as first announced on 16 August 2016.

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

Alex Borrelli, Chairman, commented: " We are delighted to have secured Jeff's construction and management skills at this important stage of the construction of the plant. Shareholders will note from this update the considerable progress that has already been achieved which is within our cost budget for the plant."

Ends

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