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

Kabwe Project Update and Activities

BMR, the Zambian-focused mineral processing business, notes the weakness in its share price during June 2016 and announces that the Board is not aware of any developments within the business that may have caused this.

The Board sets out below an update on the Company's current activities.

Product Off Take Sale and Purchase Agreement

The Board is pleased to announce that negotiations are proceeding well with the private South African group engaged in mining, energy and agri-business concerning a US\$2 million facility for the construction of the plant at Kabwe ("Plant") and the related sale and purchase agreement, for the sale of agricultural grade zinc sulphate heptahydrate (ZSH) (500 tpm) and lead sponge (300 tpm).

Plant Construction

Civil works to the floor space in the old mine concentrator building in preparation for the construction of the Plant are well advanced. In the meantime, BMR has started placing orders for locally manufactured items for the leach/precipitation section. The main 90 m³ sulphuric acid storage tank has been acquired and is in place. Plant design optimisation has resulted in standardising tank sizes for leach/precipitation/zinc re-leach and lead leach sections. Similarly in the zinc Solvent Extraction (SX) circuit, optimisation of the extraction and stripping phases has resulted in a reduction in the tank sizes. This will result in a modest reduction in plant capital costs. The expected Plant commissioning date for the commencement of production remains on schedule, for early 2017.

Geological Potential of the Kashitu area

Preliminary work has started on the evaluation of the Kashitu area following the collection of all available historic drilling and ground magnetic data. A pitting and trenching programme will commence in August 2016 to follow up historical anomalies plus additional exploration to extend our knowledge of this section of our Large Scale mining licence.

ZEMA

A programme to establish baseline studies for monitoring air, ground water and personal health in compliance with the conditions set out by ZEMA following their approval to build

the Plant has been agreed with J A Consultancy. This work will commence shortly and take between 6 and 8 weeks to complete.

A decision is awaited from ZEMA for the EPB submitted by BMR to sell the Waelz Kiln slag. ZEMA have advised that the earliest likely date for this approval will be the end of July 2016. The delay has been due to internal re-organization of their managing committee responsible for approving such applications.

Alex Borrelli, Chairman, commented: "We continue to make good progress towards the key sale and purchase agreement for zinc sulphate heptahydrate and lead sponge from our Plant and look forward to confirming this by the end of July 2016."

Ends

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