

## AIM RELEASE

30<sup>th</sup> March 2006

For further information on this release and Copper Resources Corporation please contact:

Copper Resources Corporation  
Mitchell Alland,  
Executive Vice Chairman  
+44 (0) 787 569 5563

Nabarro Wells & Co  
Keith Smith or  
John Robertson  
+44 (0) 20 7710 7400

Westhouse Securities LLP  
Richard Morrison  
+44 (0) 20 7601 6100

Additional information is available from the Company's website [www.copperresources.com](http://www.copperresources.com) or from Westhouse Securities LLP

AIM Code: CRC.LSE

Website: [www.copperresources.com](http://www.copperresources.com)



### **US\$7.7 MILLION PRIVATE PLACEMENT OF UNITS PROCEEDS TO BE USED FOR RESTART OF KINSEDA 5.3% GRADE COPPER MINE IN KATANGA PROVINCE OF CONGO**

#### **COPPER RESOURCES CORPORATION ("CRC")**

Copper Resources Corporation (AIM: CRC.L) ("CRC") is pleased to announce that it has placed 8,000,000 new Units with investors at a price per Unit of 55 pence (US\$0.97) for total proceeds of £4.4 million (US\$7.7 million). Each Unit consists of one common share plus one-half of one warrant exercisable over a two-year period at a strike price of 75 pence. Two half-warrants are required to convert into one common share. The common shares being issued will be admitted to the London AIM exchange on or about 4 April 2006. Following their issuance, CRC will have 54,994,335 shares issued and outstanding.

Proceeds of the private placement will be used for the planned restart of the Kinsenda copper mine located in the Democratic Republic of Congo (DRC). CRC holds a 75% interest in the project through its subsidiary, Minière de Musoshi et Kinsenda SARL (MMK). CRC intends to raise the balance of funds required for the restart project by way of project debt to MMK and has initiated discussions with interested banks. In order to prepare MMK for project financing CRC has agreed with the Forrest Group (see below) that US\$5.28 million of the latter's loan outstanding to MMK will be eliminated and, since conversion into MMK shares would seriously dilute CRC, the Forrest Group will instead, parallel to the terms of the private placement, be issued an equivalent number of new CRC shares at 55 pence plus, with each share, one-half of one warrant exercisable over a two-year period at a strike price of 75 pence, with two half-warrants required to convert into one common share. Once the procedures for extinguishing US\$5.28 million of the loan are completed CRC will issue 5,499,857 new shares to the Forrest Group, whose shareholding will remain at the current 40%, and CRC will have 60,494,192 shares issued and outstanding.

The recently prepared independent Feasibility Study concluded that operations at Kinsenda can be restarted within 18 months at an estimated capital cost of US\$38 million. The projected financial return to CRC is highly favourable with an estimated IRR of 67% and NPV of US\$143 million, at an assumed long term copper price of US\$1.25/lb and a discount rate of 10%. The high financial rate of return reflects the extremely high grade of Kinsenda's reserves (5.3% copper) coupled with the project's low capital costs. The Feasibility Study assumes an annual treatment of 1.2 million tonnes of ore, resulting in production of 54,000 tonnes per annum of contained copper in the form of a rich, 45% concentrate at an average total cash operating cost of US\$0.68/lb. The Feasibility Study was prepared by Mineral Engineering Technical Services Pty Ltd (METS), a Perth-based (Australia) mining engineering consultancy firm that is not a shareholder in CRC or any associated party. It has been prepared on a professional basis using qualified and experienced engineers working in accordance with CRC's scope of work. METS's studies are recognized and accepted by financial institutions working in the resource sector.

The Kinsenda and Musoshi deposits were mined from 1968-1983 by a Japanese mining consortium, then by Canadian management on behalf of the Zairian government from 1983-1987, and subsequently by Gecamines, a Congolese state mining company. Kinsenda and Musoshi are both currently flooded and require dewatering prior to restarting operations. A third property, at Lubembe, is a green field exploration play with high potential.

The remaining 25% of MMK not owned by CRC is held 20% by SODIMICO, a state company, and 5% by the Forrest Group, the largest private business in Katanga and one of the largest in the DRC with diversified operations including mining, engineering, construction, and cement. Operating successfully in the DRC since 1922, the Forrest Group has extensive operational and management experience in the country that will support and facilitate CRC's effort in developing the properties.

The Kinsenda deposit has 15 million tonnes of ore containing 840,000 tonnes (1.9 billion pounds) of copper, which will permit 13 years of operations at full capacity based on the currently known resource. However, the mine is open at depth and additional drilling is expected to yield more proven resources that will extend the life of the mine considerably.

Mitchell Alland, CRC Executive Vice Chairman stated: "This private placement financing will permit CRC to continue its dewatering and restart of the Kinsenda mine. The project is extremely attractive to CRC not only because of its high return but also because it transforms us into an imminent copper producer, and provides the basis for further expansion of our DRC production from our other high-grade deposits at Musoshi and Lubembe. We can look forward to CRC becoming a significant producer in the Congo that will increasingly contribute to the country's economy and to that of Katanga Province."