

BERKELEY ENERGIA LIMITED

NEWS RELEASE | 23 January 2019

Quarterly Report December 2018

Highlights:

Permitting Update:

- o The Company has received a number of favourable assessments from various regulatory bodies including two from the Nuclear Safety Council relating to the pre-operational Surveillance Plan for Radiological and Environmental Affections and the pre-operational Surveillance Plan for the Control of the Underground Water. The Company awaits the recommendation report from the Nuclear Safety Council to the relevant Minister.
- o The Company has been informed that the local municipality remains unable to grant the Express Resolution on the award of the Urbanism Licence due to a number of outstanding items. These outstanding items have been previously disclosed and are currently being addressed by the Company.
- o The Salamanca mine is being developed to the highest international standards and the Company's commitment to the environment remains a priority. It holds certificates in Sustainable Mining and Environmental Excellence which were awarded by AENOR, an independent Spanish government agency. The Company has been re-awarded both certificates following a consultation process with the agency.

Uranium market:

- o The spot uranium price continued to strengthen during the quarter, ending at US\$28.50 per pound, up 4% since 30 September 2018.
- o The fundamentals for uranium remain very strong with continued supply disruption being met by a recontracting cycle for US and EU utilities; and continued increases in global nuclear capacity.
- o The Company has 2.75 million pounds of U₃O₈ under contract for the first six years, with a further 1.25 million pounds of optional volume, at an average price above US\$42 per pound.

Exploration:

- o Soil samples collected near the Salamanca mine has, in addition to uranium, noted significant anomalies for other elements such as gold, lithium, cobalt, tin and rare earths.
- o The company has applied for twelve new investigation permits for all the other elements covering more than 350 km².

Engineering Studies:

- o The Company continues to undertake reviews of the engineering design of the project.

Balance Sheet:

- o The Company is in a strong financial position with A\$100 million in cash.

For further information please contact:

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Permitting update

The Company has received a number of favourable assessments from various regulatory bodies including two from the Nuclear Safety Council relating to the pre-operational Surveillance Plan for Radiological and Environmental Affections and the pre-operational Surveillance Plan for the Control of the Underground Water. The Company awaits the recommendation report from the Nuclear Safety Council to the relevant Minister.

The Company has been informed that the local municipality remains unable to grant the Express Resolution on the award of the Urbanism Licence due to a number of outstanding items. These outstanding items have been previously disclosed and are being addressed by the Company.

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Uranium Market

The uranium price continued to strengthen during the quarter, ending the year at US\$28.50 per pound, up 4% since 30 September 2018.

The fundamentals for uranium remain very strong.

China is expected to double its nuclear capacity by 2020 and then double again by 2035. In total, 58 reactors are currently under construction globally, a 25 year high in nuclear growth.

US utilities urgently need to start buying as high priced 2005-2007 contracts run off. EU utilities also need to recontract, at the same time as Japanese utilities come back on line after the disruption to the Japanese nuclear industry from Fukushima.

Meanwhile, supply cuts continue and it is estimated that approximately 25% of global production was cut in 2018.

The Company has 2.75 million pounds of U_3O_8 under contract for the first six years, with a further 1.25 million pounds of optional volume, at an average price above US\$42.

The Company will continue to progressively build its offtake book and has granted the Oman sovereign wealth fund the right to match any future long-term offtake transactions.

Exploration

During the last two years, over 3,600 soil samples have been collected along the area covered by the Salamanca mine. Ionic Leach technology was used for the analysis, which provides data for 60 different elements, including uranium. When the data was interpreted, not only was uranium taken into account, but the most common associations of elements corresponding to the paragenesis of deposits of other elements with economic interest have also been considered.

The result of the study of all these associations has given, in addition to the uranium, significant anomalies for other elements such as gold, lithium, cobalt, tin and rare earths.

Given this fact, the company has applied for twelve new investigation permits for all the other elements covering more than 350km². These new investigation permits, which were already accepted for processing by the mining authorities and are being considered now for public consultation, overlap in majority with the existing Company tenements, but are specific for the metallic elements (not uranium), which gives the opportunity as well to take advantage from the obvious synergies with the work already completed to date.

Engineering Studies

The Company continues to undertake optimisation reviews of the engineering design of the Salamanca project.

Following the identification of a number of opportunities to reduce the initial capital expenditure required to bring the mine into production, the Company has prepared a desktop study which develops these opportunities and gives an indication of the savings that may be achieved.

The areas identified for optimisation are:

- o The ROM pad at Retortillo
- o Size of the heap pad area and optimization of the transition between Retortillo and Zona 7
- o Optimisation of the PLS flow in accordance to the heap size and leach cycle
- o Re-size of the SX facility to accommodate the required flowrate
- o And consequently, review the ADU precipitation area (overall thickeners) of the plant
- o The modular buildings
- o The kind of operation of the water treatment, outsourcing the operation of this facility

All of the above will be implemented with the aim of making the plant more efficient, without any reduction of the production capacity when Zona 7 potentially comes on-line but will accommodate the size of the facilities to actual demand, avoiding over sizing when not required.

The referred desktop study has also served as the underpinning documentation for the selection of the company which will review the existing design and provide the required update in the same level of detail which is now available.

A full tender process has been carried out, and proposals have been received from four well recognised engineering companies. The Company is now ready to award the contract for the review of the existing design, and confirm the potential capital savings before the execution contract is signed.

Committed to the highest environmental standards

The Salamanca mine is being developed to the highest international standards and the Company's commitment to the environment remains a priority. It holds certificates in Sustainable Mining and Environmental Excellence which were awarded by AENOR, an independent Spanish government agency. The Company was re-awarded both certificates following a consultation process with the agency.

The mine has been designed according to the latest thinking on sustainable mining. The extraction and treatment areas will be continuously rehabilitated as operations progress and with minimum disturbance during operations. Once operations are complete, all areas utilised by the Company will be fully restored to an improved agricultural state.

As part of the Environmental Licence and the Environmental Measures Plan over 30,000 young oak trees will be planted over an area of 75 to 100 hectares. The first 20,000 of these will be planted in the nearby municipality of Vitigudino over an area of more than 500 hectares currently used by cattle farmers.

Commitment to the community

The Company has invested more than €70 million developing the Salamanca mine over the past decade and plans to invest an additional €250 million over the life of the project.

The Company has signed Cooperation Agreements with the highly supportive local municipalities, demonstrating its commitment to fostering positive relationships with these communities.

To date, through these agreements, the Company has provided Wifi networks for local villages, built play areas for children, repaired sewage water plants, upgraded sports facilities, and sponsored various sporting events and local festivals.

The Company has worked tirelessly over the past decade to develop positive and mutually beneficial relationships with the local communities and will continue to do so as construction ramps up.

Forward Looking Statements

Statements regarding plans with respect to Berkeley's mineral properties are forward-looking statements. There can be no assurance that Berkeley's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Berkeley will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Berkeley mineral properties. These forward-looking statements are based on Berkeley's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Berkeley, which could cause actual results to differ materially from such statements. Berkeley makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

Appendix 1: Summary of Mining Tenements

As at 31 December 2018, the Company had an interest in the following tenements:

Location	Tenement Name	Percentage Interest	Status
Spain			
<u>Salamanca</u>	D.S.R Salamanca 28 (Alameda)	100%	Granted
	D.S.R Salamanca 29 (Villar)	100%	Granted
	E.C. Retortillo-Santidad	100%	Granted
	E.C. Lucero	100%	Pending
	I.P. Abedules	100%	Granted
	I.P. Abetos	100%	Granted
	I.P. Alcornoques	100%	Granted
	I.P. Alisos	100%	Granted
	I.P. Bardal	100%	Granted
	I.P. Barquilla	100%	Granted
	I.P. Berzosa	100%	Granted
	I.P. Campillo	100%	Granted
	I.P. Castaños 2	100%	Granted
	I.P. Ciervo	100%	Granted
	I.P. Dehesa	100%	Granted
	I.P. El Águlia	100%	Granted
	I.P. Espinera	100%	Granted
	I.P. Halcón	100%	Granted
	I.P. Horcajada	100%	Granted
	I.P. Mailleras	100%	Granted
	I.P. Mimbres	100%	Granted
	I.P. Oñoro	100%	Granted
	I.P. Pedreras	100%	Granted
	I.P. El Vaqueril	100%	Pending
	I.P. Calixto	100%	Pending
	I.P. Melibea	100%	Pending
	I.P. Clerecía	100%	Pending
	I.P. Clavero	100%	Pending
	I.P. Conchas	100%	Pending
	I.P. Lis	100%	Pending
I.P. Úrsulas	100%	Pending	
I.P. Lazarillo	100%	Pending	
I.P. Anaya	100%	Pending	
I.P. Dueñas	100%	Pending	
I.P. Dominicos	100%	Pending	
I.P. Rúa	100%	Pending	
E.P. Herradura	100%	Pending	
<u>Cáceres</u>	I.P. Almendro	100%	Granted
	I.P. Ibor	100%	Granted
	I.P. Olmos	100%	Granted
<u>Badajoz</u>	I.P. Don Benito Este	100%	Granted
	I.P. Don Benito Oeste	100%	Granted

No tenements were acquired or disposed of during the quarter ended 31 December 2018 (other than the applications for Investigation Permits I.P. Úrsulas, Lazarillo, Anaya, Dueñas, Dominicos and Rúa). There were no other changes to beneficial interest in any mining tenements due to farm-in or farm-out agreements. No beneficial interest in farm-in or farm-out agreements were acquired or disposed during the quarter.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Berkeley Energia Limited

ABN

40 052 468 569

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,343)	(2,390)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,615)	(2,639)
(e) administration and corporate costs	(429)	(633)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	551	1,090
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material):		
- Business Development	(181)	(322)
- London and Spain Listing Costs	-	(536)
1.9 Net cash from / (used in) operating activities	(3,017)	(5,430)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(13)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	28	28
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material):	-	-
2.6 Net cash from / (used in) investing activities	28	15

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(25)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	(25)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	101,021	100,846
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,017)	(5,430)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	28	15
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(25)
4.5	Effect of movement in exchange rates on cash held	1,838	4,464
4.6	Cash and cash equivalents at end of period	99,870	99,870

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	8,708	12,226
5.2 Call deposits	91,162	88,795
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	99,870	101,021

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(152)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Payments include directors' fees, superannuation, bonuses and consulting fees.	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Not applicable.	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
Not applicable.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(2,000)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(1,000)
9.5 Administration and corporate costs	(400)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(3,400)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	<u>Salamanca</u> I.P. Úrsulas I.P. Lazarillo I.P. Anaya I.P. Dueñas I.P. Dominicos I.P. Rúa	Application Application Application Application Application Application	- - - - - -	100% 100% 100% 100% 100% 100%

(a) Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: *[lodged electronically without signature]*
.....
(Director/Company secretary)

Date: 23 January 2019

Print name: Dylan Browne

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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