



BERKELEYenergia

RELEVANT EVENT

Berkeley Energia Limited (“Berkeley” or the “Sociedad”), pursuant to article 17 of Regulation (EU) n° 596/2014 on market abuse and article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015 of October 23, hereby informs of the publication of the quarterly report closed on September 30, 2018.

The complete text of the referred news release is hereby attached.

In Madrid, on October 15, 2018

Casandra Alonso-Misol Gerlache,
authorised representative regarding notifications



BERKELEYenergía

NEWS RELEASE | 15 October 2018

Quarterly Report September 2018

Highlights:

- **Strong and growing local support for the Salamanca Project**
 - The 'Sí a la Mina' campaign now has over 1,600 signatures; and
 - To date, the Company has received over 22,850 job applications with 400 of those coming from villages surrounding the mine and of those, over 116 from Villavieja alone, which represents 25% of the permanent population of the village.
- **Permitting Update**
 - The Company is working closely with its legal advisors and the relevant authorities as it continues to seek an express resolution from the local municipality on the award of the Urbanism Licence, however there remains two items outstanding for the licence which the Company has now responded to;
 - A new general secretary to the municipality has been appointed following a temporary vacancy in the position;
 - The Company will issue a further update in due course regarding the likely timing of the commencement of construction; and
 - In the absence of certainty over the timing of the award of the Urbanism Licence which will allow the Company to commence construction the company is initiating a programme to reduce local and corporate costs.
- **Uranium market:**
 - The uranium price continued to strengthen during the quarter, ending at US\$27.38, up 21% since 30 June;
 - The Company has received a number of enquiries from the US, China and India for substantial term contract offtake commitments during the quarter;
 - The fundamentals for uranium remain very strong and in the opinion of many market observers has now reached a tipping point;
 - 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, compared with a spot price of US\$27.38 per pound; and
 - 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.

The Company will host a call for investors and analysts at 9.00 am BST on Tuesday 16 October 2018. Paul Atherley, Managing Director and CEO, and Sean Wade, Chief Commercial Officer, will give a short presentation followed by a Q&A.

Dial in details have been provided overleaf:



Managing Director and CEO, Paul Atherley, commented:

“Over the past decade we have invested over €70 million into the Salamanca mine which is located in a region suffering from some of the highest levels of youth unemployment within the European Union.

Our future €250 million investment requires no government subsidy, will potentially generate over 2,500 direct and indirect jobs, will stimulate the return of services such as schools, petrol stations and transport to the local villages and has the potential to bring back some of the 120,000 mainly young people who have left the area over the last few years to look for employment.

We are firmly committed to developing the mine however continued investment is dependent on the company receiving the necessary approvals for the commencement of construction.

We are working closely with the relevant authorities and are confident that with due process these approvals will be forthcoming however, in the meantime, we are taking the necessary steps to reduce costs.”

For further information please contact:

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Managing Director & CEO
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info@berkeleyenergia.com

Sean Wade
Chief Commercial Officer

Dial in Details

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Replay details (available until 10am BST on 17 October 2018):

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Conference Number: 699821#



Permitting update

With the Mining Licence, Environmental Licence, Prior Plant Authorisation and the Authorisation of Exceptional Land Use already granted, the next two major approvals are the Urbanism Licence by the municipal authority and the Construction Authorization by the Ministry of Ecological Transition for the treatment plant as a radioactive facility.

The Company has for some considerable time been seeking an express resolution from the local municipality on the award of the Urbanism Licence. The application has also been considered by the Diputación de Salamanca (**Diputación**) in the temporary absence of a general secretary to the municipality.

Subsequent to the end of the quarter, the Diputación issued a notice to the municipality recommending that the Urbanism Licence should not be awarded until two outstanding items regarding the licence are resolved, which the Company has responded to.

Since then, a new general secretary has been appointed, and the Company continues in its efforts to seek an express resolution. According to its legal advisors, the Company has complied with all the legal requirements for the Urbanism Licence to be awarded. The Urbanism Licence will be subject to certain conditions which should satisfy the Diputación objections.

The timing of the award of the Urbanism Licence continues to remain uncertain, is outside of the Company's control, and is unlikely to be received imminently. As a result, the Company is initiating a cost reduction programme which, amongst other things, is likely to mean a reduction in the Company's local and corporate costs and its commitment to various local sponsorship arrangements.

The Company will update shareholders in due course on the likely timing of construction.

Continued and growing local support

Berkeley is one of the largest investors in the Castilla y León region, which has some of the highest levels of unemployment in the EU, especially amongst young people. The local villages of Retortillo and Villavieja de Yeltes have seen their population decline by 30% in the last 20 years.

Over the quarter, the local support for the mine, which has always been strong, has grown rapidly.

The Berkeley team, along with local residents, started a 'Sí a la Mina' campaign to demonstrate their support for the mine and the positive impact it will have on the region.

The petition now has over 1,600 signatures, with many of those signing citing job creation as the main reason for their support.

Earlier this month, hundreds of people, including the team on site, gathered in Retortillo to mark the sixth anniversary of Berkeley's offices opening in the region.

The Company is delighted and extremely proud to see so many local residents support its vision to rejuvenate a region that has suffered badly from intergenerational unemployment and rural desertification.



Employment and training

To date, the Company has received a total of 22,850 job applications. Over 7,300 of these came from residents of the Salamanca region alone; with 400 of those come from villages surrounding the project and of those, over 116 from Villavieja alone.

The University of Salamanca has estimated that for this type of business there will be a multiplier factor of 5.1 indirect jobs for every direct job created, resulting in over 2,500 direct and indirect jobs being created as a consequence of the Company's investment in the area.

Over 120 locals have attended courses organised by the Company and over 25% of residents from the local area have applied for jobs. The Company currently has a work force of nearly 70 people and over a quarter of these have been recruited from towns in the immediate vicinity.

Training programmes, which have been historically well attended and oversubscribed, will continue to run throughout the year ensuring that sufficient people from the local communities are qualified for jobs created during the construction and mining phases.

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 very 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.

Strong uranium market fundamentals

The fundamentals for uranium remain very strong and in the opinion of many market observers has now reached a tipping point.

The Q3 spot market saw more transactions and more volume over the last three months than any time in history with the U₃O₈ price closing out September at US\$27.38.

That is a US\$0.92 increase on the month and a US\$4.58 increase over the quarter.

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 US utilities 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 currently anticipated that approximately 25% of global production will be cut in 2018.



Offtake programme and notable increase in public tender activity

During the quarter the Company has received growing interest in further offtake arrangements from utilities in the US China and India. The Company intends to increase its offtaking activity this year once full construction of the mine is underway and will participate in public and private offtake opportunities with global utilities, reporting regularly on progress.

The Company currently has 2.75 million pounds of U₃O₈ concentrate under long term contracts over the first six years of production. Potential exists to increase annual contracted volumes further as well as extend the contracts by a total of 1.25 million pounds.

The Company has maintained its preference to combine fixed and market related pricing across its contracts in order to secure positive margins in the early years of production whilst ensuring the Company remains exposed to potentially higher prices in the future.

Across the portfolio, the average fixed price per pound of contracted and optional volumes is above US\$42 per pound. This compares favourably with the current spot price of around US\$27.38 per pound.

The investment agreement signed with the Oman sovereign wealth fund grants the fund the right to match future long term uranium offtake transactions. This right to match is subject to an annual cap (on a rolling 12-month basis) which cannot exceed the greater of 1 million pounds of U₃O₈ concentrate per annum or 20% of annual production.

Exploration

During the quarter ground preparatory work and radiometry was undertaken for future exploration programs both for further Zona 7 style deposits in the Salamanca I area surrounding the proposed Retortillo processing plant and for new discoveries in the Salamanca II area located in the vicinity of the Alameda deposit.

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 30 September 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 Águila	100%	Granted
	I.P. Espinera	100%	Granted
	I.P. Halcón	100%	Granted
	I.P. Horcajada	100%	Granted
	I.P. Mailleras	100%	Granted
	I.P. Mimbre	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
	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 30 September 2018. 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")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,050)	(1,050)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,023)	(1,023)
(e) administration and corporate costs	(203)	(203)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	539	539
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	(139)	(139)
- London and Spain Listing Costs	(536)	(536)
1.9 Net cash from / (used in) operating activities	(2,412)	(2,412)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(13)	(13)
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(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	(13)	(13)

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)	(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)	(25)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	100,846	100,846
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,412)	(2,412)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(13)	(13)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(25)	(25)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	2,625	2,625
4.6	Cash and cash equivalents at end of period	101,021	101,021

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	12,226	15,094
5.2	Call deposits	88,795	85,752
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)	101,021	100,846

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	(162)
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.

Mining exploration entity and oil and gas exploration entity quarterly report

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	(200)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(3,200)

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	-	-	-	-

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]* Date: 15 October 2018
.....
(~~Director~~/Company secretary)

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.