



BERKELEYenergía

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, 2019.

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

In Madrid, on October 28, 2019

Cassandra Alonso-Misol Gerlache,
authorised representative regarding notifications

BERKELEY ENERGIA LIMITED

NEWS RELEASE | 28 October 2019

Quarterly Report September 2019

Highlights:

- **Management and Strategy Changes:**

The Company has now set up its head office in Madrid. The office is well-located in Madrid’s main financial/business district.

The recruitment process of a suitably qualified Spanish National for the Managing Director and Chief Executive Officer role remains ongoing.

- **Permitting Update:**

The Company continued to engage with the relevant authorities in a collaborative manner in order to facilitate the timely resolution of the pending approvals required to commence construction of the Salamanca mine.

Company representatives have recently met and had constructive dialogue with officials from the Ministry of Ecological Transition, the Regional Government of Castilla y Leon, and the Nuclear Safety Council (“NSC”).

The legal challenge that the Company had previously lodged against the procedure for the 2019 appointments to the Board of the NSC was withdrawn during the quarter.

The Company has provided the NSC with additional technical documentation requested in relation to the Authorisation for Construction (NSC II), and continues to await their recommendation report.

Subsequent to the end of the quarter, the Spanish National Court fully dismissed a contentious-administrative appeal filed by a group of opposition parties against the Initial Authorisation (NSC I) for the treatment plant as a radioactive facility that was granted to the Company in 2015.

- **Exploration Program:**

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The drilling program designed to test for critical battery and Electric Vehicle (“EV”) metals across the Company’s large ground holding in Western Spain commenced.

An initial six-hole drilling program targeting an area in the west of the Company’s tenement package which has previously been mined for tin and lithium and has reported significant cobalt anomalies is well advanced.

Four diamond holes, for approximately 500 metres of drilling, have been completed to date. Samples from these drill holes have been sent to the analytical laboratory and final assay results are pending.

- **Uranium Market:**

The uranium price rose 5% during the quarter as the market continues to await the recommendation from the US nuclear fuel working group to the Section 232 trade investigation.

The final decision is expected to contribute to improved market conditions moving forward, as US utilities, in particular, continue their recontracting cycle.

For further information please contact:

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Management and Strategy Changes:

The Company advises that, consistent with the announcement in July, it has now set up its new head office in Madrid. The head office is well-located in Madrid’s main financial/business district.

The recruitment process of a suitably qualified Spanish National for the Managing Director and Chief Executive Officer role remains ongoing.

Following on from the Company’s listing on the Spanish Stock Exchanges in 2018, these initiatives are aimed at further enhancing the Company’s strong engagement with its key stakeholders in Spain.

While the recruitment process for a suitable candidate for the Managing Director and CEO position takes place, Robert Behets, Non-Executive Director, has assumed the role of Acting Managing Director and will be assisted in Spain by Francisco Bellón, the Company’s Chief Operations Officer.

Project Update:

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 also holds the relevant status for best practices on Health and Safety at the Salamanca mine.

During the quarter, the Company completed the annual internal audits of its Sustainable Mining (UNE 22470-80), Environmental (ISO 14001), and Health and Safety (OHSAS 18001) Management Systems. The annual external audit of the Company's Health and Safety Management System was also successfully completed by AENOR.

The annual external audits of the Company's Sustainable Mining and Environmental Management Systems will be undertaken by AENOR during the December quarter.

The monitoring programs associated with the NSC approved pre-operational Surveillance Plan for Radiological and Environmental Affections and pre-operational Surveillance Plan for the Control of the Underground Water continued during the quarter.

Permitting Update:

The Company seeks to engage with the relevant authorities in a collaborative manner in order to facilitate the timely resolution of the pending approvals required to commence construction of the Salamanca mine.

To this end, the Company has recently met and had constructive dialogue with officials from the Ministry of Ecological Transition, the Regional Government of Castilla y Leon, and the NSC.

The legal challenge that the Company had lodged against the procedure for the 2019 appointments to the Board of the NSC was also withdrawn in early September.

During the quarter, the Company has provided the NSC with additional technical documentation (e.g. codes and standards applicable to the proposed fire extinguisher systems) requested in relation to the Authorisation for Construction, and continues to await their recommendation report.

Subsequent to the end of the quarter, the Spanish National Court fully dismissed a contentious-administrative appeal filed by a group of opposition parties against the Initial Authorisation for the treatment plant as a radioactive facility that was granted to the Company in 2015.

In its decision, the National Court stated that the appellants arguments were limited "to questioning the suitability of the site and other technical issues through mere value judgments without providing a minimum technical justification" which was manifestly insufficient to invalidate the numerous favorable reports and authorisations already issued by various public administrations to the Company. In this same context, the National Court ruling considered and positively recognised the report approved in 2015 by the NSC for the granting of the Initial Authorisation.

Importantly, the National Court resolution confirms that the technical documentation provided by the Company during that phase of the permitting process had included all of the information required in accordance with the applicable regulations, and that the assessment carried out by the public administrations had been and continues to remain valid.

The Company will continue to maintain a consistent approach, ensuring that the project complies with all applicable laws and regulations, as it progresses the approvals required to commence construction of the Salamanca mine and bring it into production.

Exploration Program:

The drilling program designed to test for critical battery and EV metals across the Company's large ground holding in Western Spain commenced during the quarter.



An initial six-hole program, targeting an area in the west of the Company's tenement package approximately 50km from Retortillo which has previously been mined for tin and lithium and has reported significant cobalt anomalies, is well advanced. Four diamond holes for approximately 500m of drilling have been completed to date. These drill holes were planned to test multi-element anomalies identified along the prominent northeast-southwest trending structure, known as the Barquilla Fault, on 400m spaced sections.

The samples from this drilling have been dispatched to the ALS laboratory in Seville, Spain for sample preparation and have subsequently sent to the ALS laboratory in Vancouver, Canada for analysis with the final assay results currently pending.

The overall critical battery and EV metals exploration program is targeting lithium, cobalt, tin, tungsten and rare earths, several of which have previously been mined in commercial quantities in the area.

The Company holds one of the largest exploration ground holdings in Spain with approximately 1,200km² of licences across a mineral rich province which has had several periods of historic mining for a number of the metals and minerals being targeted.

The targets have been generated through detailed exploration for a wide range of minerals over the past two years and further refined by the use of the innovative Ionic Leach program. The Ionic Leach methodology allows for the ultra-low detection of metals and minerals and significantly reduces the amount of drilling required by generating highly defined targets.

The results from this initial drilling program will be fed back into the database and more refined targets interpreted. It will allow for further analysis of the mineral and metal endowment across the Company's large ground holding in this mineral rich province.

Uranium market:

The uranium price rose 5% during the quarter as the market continues to await the recommendation from the US nuclear fuel working group to the Section 232 trade investigation.

The final decision is expected to contribute to improved market conditions moving forward, as US utilities, in particular, continue their recontracting cycle.

The US Department of Commerce confirmed in July 2018 that it would initiate a Section 232 trade investigation into uranium imports which was the result of a petition in mid-January 2018 by Energy Fuels and Ur-Energy (the only 2 substantive US uranium producers) and came after a prolonged period of low prices.

The petitioners are seeking a mandated requirement that US utilities purchase a minimum 25% of their requirements from US producers. The petition is now under review by the US nuclear fuel cycle working group which will make a recommendation to the President by mid-October 2019.

Some market commentators expect that we are likely to see tax credits offered to utilities for buying domestic uranium and there may be some mandate to buy a certain amount. The resolution of this issue is expected to end a period of uncertainty and provide a boost for uranium prices

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.

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.

Balance Sheet:



The Company is in a strong financial position with A\$98.2 million in cash.

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 2019, 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. Alcorniques	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. Horcajada	100%	Granted
	I.P. Lis	100%	Granted
	I.P. Mailleras	100%	Granted
	I.P. Mimbres	100%	Granted
	I.P. Oñoro	100%	Granted
	I.P. Pedreras	100%	Granted
	E.P. Herradura	100%	Granted
	I.P. Conchas	Application	Pending
	I.P. El Vaqueril	Application	Pending
I.P. Lazarillo	Application	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 2019. Applications for Investigation Permits for Anaya, Dueñas, Dominicos, Rúa and Úrsulas were not granted during the quarter ended 30 September 2019. 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.

+Rule 5.5

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 2019

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	(1,176)	(1,176)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,031)	(1,031)
(e) administration and corporate costs	(341)	(341)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	486	486
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):	(69)	(69)
- Business Development		
1.9 Net cash from / (used in) operating activities	(2,131)	(2,131)



Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(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	(3)	(3)
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	-	-
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	-	-
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	96,584	96,584
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,131)	(2,131)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	3,767	3,767
4.6	Cash and cash equivalents at end of period	98,217	98,217

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	4,738	6,952
5.2	Call deposits	93,479	89,632
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)	98,217	96,584

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

**Current quarter
\$A'000**

(567)

-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payments include directors' fees, superannuation and consulting fees.

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A'000**

-

-

- 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

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

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	(1,000)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(500)
9.5	Administration and corporate costs	(200)
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	(1,700)

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	<u>Spain</u>			
		I.P. Anaya	Application	-	Denied
		I.P. Dominicos	Application	-	Denied
		I.P. Rúa	Application	-	Denied
		I.P. Úrsulas	Application	-	Denied
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]
 (Director/Company secretary)

Date: 28 October 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.