



BERKELEYenergía

NEWS RELEASE | 29 October 2021

Quarterly Report September 2021

Summary:

- **Permitting Update:**

In July 2021, Berkeley reported that the Board of the Nuclear Safety Council ("NSC") had issued an unfavourable report for the grant of the Authorisation for Construction for the uranium concentrate plant as a radioactive facility ("NSC II"). During the quarter, the Company has taken a number of steps to overturn the NSC II decision.

The Company submitted an 'Improvement Report' to supplement the Company's initial NSC II Application, along with the corresponding arguments that address all of the issues raised by the NSC, and has requested its reassessment by the NSC. The Improvement Report includes technical arguments that, in the Company's view, clearly demonstrate that the project is compliant with all requirements for NSC II.

Berkeley submitted further documentation to the Ministry of Ecological Transition and Demographic Challenge ("MITECO") in which the Company, with strongly supported arguments, dismantles all of the technical issues used by the NSC as justification to issue the unfavourable report.

The Company strongly refutes the NSCs assessment and believes that the project is compliant with all requirements for NSC II to be awarded however, the NSC still adopted an unfavourable decision. In the Company's opinion therefore, the technical issues raised by the NSC lack both technical and legal support.

In addition, Berkeley requested from MITECO access to the files associated with the Authorisation for Construction and Authorisation for Dismantling and Closure for the radioactive facilities at La Haba and Saelices El Chico, in order to verify and contrast the conditions approved by the competent administrative and regulatory bodies for other similar uranium projects in Spain.

Based on a detailed comparison of the different licensing files undertaken by the Company and its legal advisors following receipt of these files, it is clear that Berkeley, in its NSC II submission, has been required to provide information that does not correspond to: (i) the regulatory framework, (ii) the scope of the current procedural stage (i.e. at the NSC II stage), and/or (iii) the criteria applied in other licensing processes for similar radioactive facilities). Accordingly, the Company considers that the NSC has acted in a discriminatory and arbitrary manner when assessing the NSC II application for the Salamanca project.

These additional arguments have been detailed in a further letter sent to MITECO in which Berkeley requests that the additional arguments be incorporated into its file and, in view of the outlined deficiencies of the NSC's unfavourable report, the procedure be returned to the NSC for a new report to be issued correcting these deficiencies.

The Company is yet to receive a response from MITECO regarding any of its submissions.

It should also be noted that more than 120 previous permits and favourable reports have been granted by the relevant authorities at the local, regional, federal and European Union levels in relation to the Salamanca project, among which nine have been from the NSC.

The Company will continue to strongly defend its position in relation to the adverse decision by the NSC and will continue to update the market on any material developments as they occur.



- **Exploration:**

A regional exploration program which comprises mapping, soil sampling, ground radon gas concentration and exhalation rate surveys, and portable XRF analysis of sample pulps from previous drilling, across a number of the Company's Investigation Permits in Spain advanced during the quarter.

The Company also commenced a comprehensive review of known lithium and other battery metals occurrences in Spain and Portugal, with a view to generating new exploration targets and opportunities in the battery and critical metals sectors.

- **Uranium Market:**

Substantial spot market transactional volume (aggregate volume during September reached 17.5 million pounds U_3O_8) which drove the near-term uranium price to a high of US\$51.12 per pound in September 2021. However, near-term demand slowed as the end of the quarter approached with the spot price decreasing to US\$43.00 per pound.

Forward uranium prices initially lagged the rise in the spot market ending August at US\$33.50 per pound (long-term), US\$35.75 per pound (3-year forward) and US\$39.50 per pound (5-year forward) but increased to US\$40.00 per pound, US\$43.00 per pound and US\$47.00 per pound, respectively by the end of September.

Implementation of the newly-formed Sprott Physical Uranium Trust ("SPUT") is the reason for the spot market volume increasing during the quarter.

UxC reported that a total of 73.9 million pounds has been transacted in the nine months to the end of quarter.

For further information please contact:

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Permitting Update:

In July 2021, the Company reported that the Board of the NSC had issued an unfavourable report for the grant of the NSC II. Berkeley has however, subsequently taken a number of steps to overturn the NSC II decision.

The Company submitted an 'Improvement Report' to supplement the Company's initial NSC II Application, along with the corresponding arguments that address all of the issues raised by the NSC, and requested its reassessment by the NSC in late July. The Improvement Report was complemented by an Independent Expert's technical opinion on the hydrogeological aspects of the project produced by Prof. Rafael Fernández Rubio, Emeritus Professor of Hydrogeology at the Polytechnic University of Madrid. The Improvement Report includes technical arguments that, in the Company's view, clearly demonstrates that the project is compliant with all requirements for NSC II.

Berkeley also submitted further documentation to the MITECO in which the Company, with strongly supported arguments, dismantles all of the technical issues used by the NSC as justification to issue the unfavourable report. This documentation was submitted to MITECO in early August, as part of the previously disclosed hearing process in relation to the unfavourable NSC II decision, prior to the deadline for submissions.

The Company strongly refutes the NSCs assessment and believes that the project is compliant with all requirements for NSC II to be awarded however, the NSC still adopted an unfavourable decision. In the Company's opinion therefore, the technical issues raised by the NSC lack both technical and legal support.

In addition, the Company requested from MITECO access to the files associated with the Authorisation for Construction and Authorisation for Dismantling and Closure for the radioactive facilities at La Haba (Badajoz) and Saelices El Chico (Salamanca), which are owned by ENUSA Industrias Avandas S.A., in order to verify and contrast the conditions approved by the competent administrative and regulatory bodies for other similar uranium projects in Spain.

The Company has now received and reviewed these files. Based on a detailed comparison of the different licensing files undertaken by the Company and its legal advisors, it is clear that Berkeley, in its NSC II submission, has been required to provide information that does not correspond to: (i) the regulatory framework, (ii) the scope of the current procedural stage (i.e. at the NSC II stage), and/or (iii) the criteria applied in the La Haba and Saelices El Chico licensing processes (i.e. for similar radioactive facilities). Accordingly, the Company considers that the NSC has acted in a discriminatory and arbitrary manner when assessing the NSC II application for the Salamanca project.

These additional arguments have been detailed in a further letter sent to MITECO in which Berkeley requests that the additional arguments be incorporated into its file and, in view of the outlined deficiencies of the NSC's unfavourable report, the procedure be returned to the NSC for a new report to be issued correcting these deficiencies.

The Company is yet to receive a response from MITECO regarding any of its submissions.

It should also be noted that more than 120 previous permits and favourable reports have been granted by the relevant authorities at the local, regional, federal and European Union levels in relation to the Salamanca project, among which nine have been from the NSC.

The Company will continue to strongly defend its position in relation to the adverse decision by the NSC and will continue to update the market on any material developments as they occur.

Project Update:

The Company's Salamanca mine is being developed to the highest international standards and the Company's commitment to health, safety and the environment is a priority.

During the quarter, an external audit was successfully completed by AENOR, an independent Spanish government agency, for the renewal of the Company's certificates in Sustainable Mining (UNE 22470-80) and Environmental Management (ISO 14001).



These Sustainable Mining, Environmental Management and Health and Safety (ISO 45001) management systems ensure that Company procedures are compliant with current regulations, ensure that the environment is protected, that the project is sustainable, and that all activities are carried out with respect for and in collaboration with the local communities.

Berkeley has also published its first Sustainability Report, a voluntary transparency initiative through which the Company openly communicates information regarding its management systems in the areas of health, safety, environmental protection and social responsibility, as well as its performance in sustainability, to all stakeholders.

The Sustainability Report, which provides a detailed overview of environmental, social and governance (“ESG”) activities over the 12-month period to 31 December 2020, has been distributed to key stakeholders. The Sustainability Report can also be accessed and downloaded from the Company’s website at www.berkeleyenergia.com.



The Company also strives to uphold the United Nation’s Sustainable Development Goals (“SDGs”).

Following on from the successful 2020 program, the Company has approved a Sustainability Program for 2021. This plan takes into account the Berkeley’s past performance and the findings of a risks and opportunities assessment undertaken as part of the planning process. As part of the 2021 Program, a sustainable Eco-Garden initiative has been launched, with the objective of:

- Promoting local socio-economic development;
- Promoting the diversity of economic activities in the environment;
- Providing food to those most in need; and
- Promoting sustainable practices in agriculture.

The Company engaged the services of a resident of the local community of Retortillo with extensive experience in the management of natural gardens to assist with the cultivation of the Sustainable Eco-Garden. In addition, all of the necessary consumables and resources have been acquired from within the Salamanca Province in order to promote local socioeconomic development.

All the products of the Sustainable Eco-Garden are of a natural origin. The compost that has been used is of animal origin, no chemical compound or fertilizer has been used for its cultivation, and the water is obtained directly from a well located on the plot itself.



Berkeley's Sustainable Eco-Garden and delivery of products

During the quarter, the Company donated 70kg of various types of vegetables grown in the Sustainable Eco-Garden to the DOWN-SALAMANCA Association, a charitable organisation that promotes the defense of rights, normalisation and integration, respect for diversity, and improvement of the quality of life of people with Down syndrome and their families. The organisation provides twenty families in the Salamanca region with care and support on a regular basis.

Another initiative recently undertaken by the Company is the installation of a twenty-five bee hives on Berkeley's property at Retortillo. The implementation of this activity through the agreement with one of the local producers, constitutes further proof of the compatibility of the mining activity with other business activities related to the environment.

During the quarter, the beehives were removed to collect the honey, with over 80kg of honey produced.

Monitoring Programs

Collection of samples for 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.

Exploration:

The regional exploration program which comprises mapping, soil sampling, ground radon gas concentration and exhalation rate surveys, and portable XRF analysis of sample pulps from previous drilling, across a number of the Company's Investigation Permits in Spain continued during the quarter. A full assessment of this regional exploration program, which will include target identification, ranking, and follow-up work program design, will be completed once all results are returned and interpreted.

The Company also commenced a comprehensive review of known lithium and other battery metals occurrences in Spain and Portugal, with a view to generating new exploration targets and opportunities in the battery and critical metals sectors.

Uranium Market:

Substantial spot market transactional volume (aggregate volume during September reached 17.5 million pounds U_3O_8) drove the near-term uranium price to a high of US\$51.12/lb in September 2021. However, near-term demand slowed as the end of the quarter approached with the spot price decreasing to US\$43.00/lb. Implementation of the newly-formed SPUT is the reason for the spot market volume increasing during the quarter.

Forward uranium prices initially lagged the rise in the spot market ending August at US\$33.50/lb (long-term), \$35.75/lb (3-year forward) and US\$39.50/lb (5-year forward) but increased to US\$40.00/lb, US\$43.00/lb and US\$47.00/lb, respectively by the end of September.

UxC reported that a total of 73.9 million pounds has been transacted in the nine months to the end of quarter.



Resignation of Director:

Subsequent to the quarter, the Company advised that Mr Deepankar Panigrahi had resigned as a non-executive director of the Company.

Mr Panigrahi became a director of the Company in November 2017 as the nominee director of the Oman Investment Fund ("OIA") (formerly the State General Reserve Fund of Oman) pursuant to the investment agreement following the issue of the convertible note to OIA. He was appointed as OIA's nominee director to oversee OIA's interests in the Company and the development of the Salamanca project. Mr Panigrahi was due for re-election at the Company's upcoming Annual General Meeting to be held on Wednesday, 17 November 2021, however this resolution will no longer be put to shareholders.

COVID-19:

Authorities in Spain continue to maintain international entry restrictions as part of measures to reduce the spread of COVID-19. In particular, international travellers arriving from countries designated as high-risk must present a certificate of vaccination, a certificate of having recovered from COVID-19 within the previous 11-180 days, a negative COVID-19 PCR test taken in the 72 hours before arrival, or a negative antigen test taken in the 48 hours before arrival. EU citizens traveling from EU countries may also present an EU Digital COVID Certificate to expedite processing.

Nonessential travel to Spain is only permitted for travellers from the EU, Australia, Bosnia-Herzegovina, Canada, China, Jordan, Moldova, New Zealand, Qatar, Saudi Arabia, Singapore, South Korea, Taiwan, Ukraine, and Uruguay. Nonessential travel is also permitted from all countries for individuals who possess a certificate of vaccination confirming they have completed a full course of a COVID-19 vaccine authorized by the European Medicines Agency or World Health Organization (WHO) no less than 14 days before entry. Travelers from the UK may also use a negative COVID-19 PCR test no more than 48 hours old to enter Spain for nonessential purposes, in addition to the vaccine certificate.

Nationwide, most businesses and services are permitted to operate but must adhere to social distancing or capacity requirements. Facemasks remain mandatory in enclosed public spaces across most of Spain, though in many areas masks are no longer necessary outdoors where social distancing guidelines can be followed.

All of the Berkeley team based in Spain are safe and well.

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.

This announcement has been authorised for release by Mr Robert Behets, Director.



Appendix 1: Summary of Mining Tenements

As at 30 September 2021, 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. Alcornoces	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. Conchas	100%	Granted
	I.P. Dehesa	100%	Granted
	I.P. El Águila	100%	Granted
	I.P. El Vaqueril	100%	Granted
	I.P. Espinera	100%	Granted
	I.P. Horcajada	100%	Granted
	I.P. Lis	100%	Granted
	I.P. Mailleras	100%	Granted
	I.P. Mimbre	100%	Granted
	I.P. Pedreras	100%	Granted
	E.P. Herradura	100%	Granted
<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

During the quarter ended 30 September 2021, no tenements were issued, expired or lapsed during the quarter ended. There were no other changes to beneficial interest, acquired or disposed of, in any mining tenements due to farm-in or farm-out agreements. An application for a 1-year extension at E.P. Herradura was previously rejected however this decision has been appealed and the Company awaits the decision regarding its appeal.

Appendix 2: Related Party Payments

During the quarter ended 30 September 2021, the Company made payments of \$73,000 to related parties and their associates. These payments relate to existing remuneration arrangements (director and consulting fees plus statutory superannuation).



Appendix 3: Exploration and Mining Expenditure

During the quarter ended 30 September 2021, the Company made the following payments in relation to exploration and development activities:

Activity	\$000
Radiological protection and monitoring	179
Permitting related expenditure	531
Consultants and other expenditure	141
Return of VAT in Spain	(116)
Total as reported in the Appendix 5B	735

There were no mining or production activities and expenses incurred during the quarter ended 30 September 2021.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Berkeley Energia Limited

ABN

40 052 468 569

Quarter ended ("current quarter")

30 September 2021

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	(735)	(735)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(239)	(239)
	(e) administration and corporate costs	(437)	(437)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	(a) Business Development	(3)	(3)
1.9	Net cash from / (used in) operating activities	(1,408)	(1,408)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	79,064	79,064
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,408)	(1,408)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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	3,054	3,054
4.6	Cash and cash equivalents at end of period	80,710	80,710

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	80,660	79,014
5.2	Call deposits	50	50
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)	80,710	79,064

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(73)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Not applicable		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,408)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,408)
8.4	Cash and cash equivalents at quarter end (item 4.6)	80,710
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	80,710
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	>10
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

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.

Date: 29 October 2021

Authorised by: Company Secretary
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.