

NEWS RELEASE | 31 January 2022

Quarterly Report December 2021

Summary:

- **Permitting Update:**

During the quarter Berkeley Energia Limited ("Berkeley" or the "Company") received formal notification from the Ministry for Ecological Transition and the Demographic Challenge ("MITECO") that it had rejected the Authorisation for Construction for the uranium concentrate plant as a radioactive facility ("NSC II") at the Company's Salamanca project. This decision followed the unfavourable NSC II report issued by the Board of the Nuclear Safety Council ("NSC") in July 2021.

The Company strongly refutes the NSC's assessment and, in the Company's opinion, the NSC has adopted an arbitrary decision with the technical issues used as justification to issue the unfavourable report lacking in both technical and legal support.

In this regard, Berkeley submitted an administrative appeal against MITECO's decision under Spanish law during the quarter.

In Berkeley's strong opinion, MITECO has rejected the Company's NSC II application without following a legally established procedure and the Company believes that MITECO has infringed regulations on administrative procedures in Spain, as well as Berkeley's right of defense, which would imply that the decision on the rejection of the Company's NSC II application is not legal.

The Company will continue to strongly defend its position in relation to the adverse resolution by MITECO and update the market on any material developments.

- **OIA / SGRF Claim:**

During the quarter, the Company was served with a writ commencing legal proceedings in the Supreme Court of Victoria, brought by Singapore Mining Acquisition Co Pte Ltd ("SGRF") (a subsidiary of the Oman Investment Authority ("OIA")) in relation to the investment agreement and convertible note entered into in 2017.

The Company is defending the legal proceedings and has filed its statement of defence to SGRF's claim. The Company also applied to have the legal proceedings transferred from the Supreme Court of Victoria to the Supreme Court of Western Australia, which occurred in January 2022. A directions hearing is currently scheduled for 8 February 2022.

As previously advised, the Company strongly disputes the allegations and claims made by SGRF and will update the market with any material developments.

- **Uranium Market:**

The outlook for nuclear power strengthened further during the quarter, with a number of important developments, including:

- China planning at least 150 new reactors in the next 15 years, which would be more than the rest of the world has built in the past 35 years.
- A bipartisan infrastructure bill was passed by the US Congress which includes US\$6 billion to support existing zero-carbon nuclear facilities under threat of early retirement due to economic factors and US\$2.5 billion for advanced nuclear reactors through the Department of Energy's Advanced Reactor Demonstration Program.



- France vowing to build more nuclear reactors to meet climate goals, with President Macron stating, “To guarantee France’s energy independence, to guarantee our country’s electricity supply, and to reach our goals -- notably carbon neutrality in 2050 -- we will for the first time in decades revive the construction of nuclear reactors in our country, and continue to develop renewable energy.”
- The European Commission announcing that consultations had begun with the Member States Expert Group on Sustainable Finance and the Platform on Sustainable Finance on a draft text of a “Taxonomy Complementary Delegated Act” covering gas and nuclear activities. The Commission stated, “there is a role for natural gas and nuclear as a means to facilitate the transition towards a predominately renewable-based future.”

The Uranium spot price closed at US\$42.10 per pound at the end of December having reached a high of US\$47.40 per pound at the end of October. However, near-term demand slowed as the end of the quarter approached with the spot price decreasing slightly at the end of December to US\$42.10 per pound.

Uranium price indicators reflective of the longer-term uranium market also rose during the quarter ending December at US\$40.50 per pound (Long-Term); US\$43.75 per pound (3-year forward price); and US\$44.75 per pound (5-year forward price).

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Permitting Update:

During the quarter Berkeley received formal notification from MITECO that it had rejected the NSC II application at the Company's Salamanca project. This decision followed the unfavourable NSC II report issued by the NSC in July 2021.

The Company strongly refutes the NSC's assessment and, in the Company's opinion, the NSC has adopted an arbitrary decision with the technical issues used as justification to issue the unfavourable report lacking in both technical and legal support.

Berkeley submitted documentation, including 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 a request for its reassessment by the NSC, to MITECO in late July (*see announcement dated 23 July 2021*).

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.

Further documentation was submitted to MITECO in early August, in which the Company, with strongly supported arguments, dismantled all of the technical issues used by the NSC as justification to issue the unfavourable report. The Company again restated that the project is compliant with all requirements for NSC II to be awarded and requested its NSC II Application be reassessed by the NSC (*see announcement dated 5 August 2021*).

These submissions to MITECO were made as part of the previously disclosed hearing process in relation to the unfavourable NSC II decision.

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.

Based on a detailed comparison of the different licensing files undertaken by the Company 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 were detailed in a further letter sent to MITECO in which Berkeley requested 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 (*see announcement dated 29 October 2021*).

In Berkeley's strong opinion, MITECO has rejected the Company's NSC II Application without following the legally established procedure, as the Improvement Report has not been taken into account and sent to the NSC for its assessment, as requested on multiple occasions by the Company.

In this regard, the Company believes that MITECO have infringed regulations on administrative procedures in Spain, as well as Berkeley's right of defence, which would imply that the decision on the rejection of the Company's NSC II Application is not legal.

Taking this into account, Berkeley has submitted an administrative appeal against MITECO's decision under Spanish law during the quarter.

The Company will continue to strongly defend its position in relation to the adverse resolution by MITECO and update the market on any material developments.



Following the receipt of MITECO's rejection of NSC II, the Company's previously submitted Initial Authorisation ('NSC I') applications for Zona 7 and Alameda have been dismissed by MITECO. In conjunction with the appeal against the rejection of NSC II, the Company will also strongly defend its position in relation to the NSC I dismissals and has submitted administrative appeals against the NSC I decisions for Alameda and Zona 7.

Project Update:

The Company continued with its commitment to health, safety and the environment as a priority.

During the upcoming March 2022 quarter, the Company will measure and report its performance against the planned 2021 objectives in the areas of health, safety, environment and sustainability.



Monitoring Programs

As a result of the decision regarding NSC II as discussed above, the Company has suspended its radiological monitoring programs and rationalised other project related activities until its appeal process against the decision is concluded.

Uranium Market:

The outlook for nuclear power strengthened further during the quarter, with a number of important developments, including:

- China planning at least 150 new reactors in the next 15 years, which would be more than the rest of the world has built in the past 35 years.
- A bipartisan infrastructure bill was passed by the US Congress which includes US\$6 billion to support existing zero-carbon nuclear facilities under threat of early retirement due to economic factors and US\$2.5 billion for advanced nuclear reactors through the Department of Energy's Advanced Reactor Demonstration Program.
- France vowing to build more nuclear reactors to meet climate goals, with President Macron stating "To guarantee France's energy independence, to guarantee our country's electricity supply, and to reach our goals -- notably carbon neutrality in 2050 -- we will for the first time in decades revive the construction of nuclear reactors in our country, and continue to develop renewable energy."
- The European Commission announcing that consultations had begun with the Member States Expert Group on Sustainable Finance and the Platform on Sustainable Finance on a draft text of a "Taxonomy Complementary Delegated Act" covering gas and nuclear activities. The Commission stated, "there is a role for natural gas and nuclear as a means to facilitate the transition towards a predominately renewable-based future."



The Uranium spot price closed at US\$42.10 per pound at the end of December having reached a high of US\$47.40 per pound at the end of October. However, near-term demand slowed as the end of the quarter approached with the spot price decreasing slightly at the end of December to US\$42.10 per pound.

Uranium price indicators reflective of the longer-term uranium market also rose during the quarter ending December at US\$40.50 per pound (Long-Term); US\$43.75 per pound (3-year forward price); and US\$44.75 per pound (5-year forward price).

OIA / SGRF Claim and Convertible Note:

During the quarter, the Company announced that it had received a writ, for proceedings in the Supreme Court of Victoria at the Melbourne Commercial Court, brought by SGRF in relation to the investment agreement and convertible note entered into in 2017. The writ alleges that the principal amount of US\$65 million of the unsecured and interest free convertible note ("Convertible Note") is immediately payable by the Company due to allegations that the investment agreement and convertible note have been frustrated, repudiated and/or an event of default has occurred.

The Company is defending the legal proceedings and has filed its statement of defence to SGRF's claim. The Company also applied to have the legal proceedings transferred from the Supreme Court of Victoria to the Supreme Court of Western Australia, which occurred in January 2022. A directions hearing is currently scheduled for 8 February 2021.

As previously advised, the Company strongly disputes the allegations and claims made by SGRF and will update the market with any material developments.

On 30 November 2021, the Company issued 186,814,815 fully paid ordinary shares in the capital of the Company to SGRF following the automatic conversion of the Convertible Note.

The Convertible Note has been converted in accordance with the terms of the Investment Agreement and Convertible Note entered in with SGRF in 2017.

The Company's issued ordinary share capital following conversion of the Convertible Note is 445,796,715 ordinary shares.

COVID-19 Update:

Authorities in Spain continue to maintain COVID-19 restrictions amid rising case numbers attributed to the COVID-19 Omicron variant.

Regional authorities are responsible for setting localised restrictions, though they must petition local courts for authority to impose curfews, travel controls, and COVID-pass requirements mandating proof of vaccination, recovery, or a recent negative COVID-19 test for access to certain venues. Many regions are considering relaxing measures due to declining infection rates. Generally, most businesses and services are permitted to operate but must adhere to social distancing or capacity requirements, gatherings are limited, and nightlife venues must close at a certain hour. Some regions have implemented COVID-pass rules for certain facilities. Facemasks remain mandatory in public spaces across Spain.

Nonessential travel to Spain is only permitted for travellers from EU/EEA-associated states, Argentina, Australia, Bahrain, Canada, Chile, China, Colombia, Indonesia, Kuwait, New Zealand, Peru, Qatar, Rwanda, Saudi Arabia, South Korea, Taiwan, UAE, and Uruguay. Nonessential travel is also permitted from all countries except those listed above 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 ("EMA") or World Health Organization ("WHO") no less than 14 days before entry.

EU citizens arriving from countries designated as "risk-countries" 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.



Travelers from designated "safe countries," including Bahrain, Chile, China, Colombia, Indonesia, Kuwait, New Zealand, Peru, Qatar, Rwanda, Saudi Arabia, South Korea, Taiwan, UAE, and Uruguay, may enter Spain without additional requirements. Permitted unvaccinated travellers from all other non-EU countries must possess a certificate of recovery or negative test meeting the above requirements.

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 31 December 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 31 December 2021, no tenements were issued, expired or lapsed during the quarter. 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 31 December 2021, the Company made payments of \$84,000 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 31 December 2021, the Company made the following payments in relation to exploration and development activities:

Activity	\$000
Radiological protection and monitoring	186
Permitting related expenditure (including legal expenses)	460
Consultants and other expenditure	324
Return of VAT in Spain	(64)
Total as reported in the Appendix 5B	906

There were no mining or production activities and expenses incurred during the quarter ended 31 December 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")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(906)	(1,640)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(331)	(571)
	(e) administration and corporate costs	(229)	(667)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	12
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)
	(b) Litigation	(18)	(18)
1.9	Net cash from / (used in) operating activities	(1,478)	(2,887)
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 (6 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	(93)	(93)
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	(93)	(93)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	80,710	79,064
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,478)	(2,887)
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)	(93)	(93)

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(518)	2,537
4.6	Cash and cash equivalents at end of period	78,621	78,621

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	78,571	80,660
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)	78,621	80,710

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	(84)
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)	(1,478)
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)	(1,478)
8.4	Cash and cash equivalents at quarter end (item 4.6)	78,621
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	78,621
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: 31 January 2022

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.