

NEWS RELEASE | 30 July 2021

Quarterly Report June 2021

Summary:

- **Permitting Update:**

Subsequent to the end of the quarter, Berkeley Energia Limited ("Berkeley" or the "Company") 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").

The Company has however taken the first steps to overturn the NSC II decision following the submission of 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, will clearly demonstrate that the project is compliant with all requirements for NSC II.

This Improvement Report and associated documentation has been submitted to the Ministry of Ecological Transition and Demographic Challenge ("MITECO") following its notification to the Company advising that, in accordance with Spanish administrative law, a hearing process in relation to the NSC's decision had been opened and provided Berkeley with the opportunity to submit relevant documentation to MITECO by 4 August 2021.

Berkeley strongly refutes the NSC's assessment and notes that all documentation submitted by the Company in relation to NCS II has been prepared following advice from independent, nationally and internationally recognised advisors and consultants who are experts in their field.

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.

- **Sustainability:**

During the quarter, Berkeley published its first annual Sustainability Report, a voluntary transparency initiative through which the Company has communicated 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.

- **Uranium Market:**

The uranium spot price increased ~4% to close at US\$32.10 per pound at the end of the quarter with spot market activity decreasing in June 2021 which had a total of 4.4 million pounds transacted, compared to 6.4 million pounds in May 2021.

Activity in the uranium term market increased somewhat as new demand emerged from a U.S. utility seeking slightly more than 1.1 million pounds for delivery in 2022-2025.

UxC reported that "Other activity continues in the market as several utilities have been in discussions with potential suppliers or evaluating unsolicited offers".

Despite the incremental uptick in activity, the UxC long-term price remained unchanged at US\$32.00 per pound.



- **Spanish Regulatory Regime:**

During the quarter, a meeting of the full Parliament in Spain ("Parliament") approved an amendment to the draft climate change and energy transition bill relating to the investigation and exploitation of radioactive minerals (e.g. uranium).

The Parliament reviewed and approved the amendment ("Article 10"), the text of which remained unchanged from the modified amendment proposed by the Ecological Transition Ponencia ("Ponencia") in February 2021 (see *ASX announcement dated 25 February 2021*) and subsequently approved by the Commission of Ecological Transition of the Parliament ("Commission") and the Spanish Senate.

As previously reported by the Company, under this amendment:

- New applications for exploration, investigation or direct exploitation concessions for radioactive materials, nor their extensions, would not be accepted as of the entry into force of this law.
- Existing concessions, and open proceedings and applications related to these, would continue as per normal based on the current legislation.

Article 10 establishes that *"As of the entry into force of this law, no new applications will be accepted for the granting of exploration permits, investigation permits or direct exploitation concessions, nor their extensions, regulated under Law 22/1973, of July 21, on mines of radioactive minerals, as defined in Law 25/1964, of April 29, on nuclear energy, when such resources are extracted for their radioactive, fissile or fertile properties. In addition, applications for the authorisation of new radioactive facilities of the nuclear fuel cycle for the processing of radioactive minerals, as defined in the Regulation on nuclear and radioactive facilities, will no longer be accepted."* Importantly, existing rights for exploration, investigation and exploitation concessions would remain in force during their validity period. Existing proceedings underway would also continue under the legal framework set up by the current regulations.

With the final approval of the Parliament, the review process associated with proposed amendments to the draft climate change and energy transition bill has now been completed, and the new law entered into force following its publication in the Official Spanish State Gazette.

For further information please contact:

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Permitting Update:

Subsequent to the end of the quarter, the Company reported that the Board of the NSC had issued an unfavourable report for the grant of the NSC II.

The Company has however taken the first steps to overturn the NSC II decision following the submission of 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 is 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, will clearly demonstrate that the project is compliant with all requirements for NSC II.

This Improvement Report and associated documentation has been submitted to the MITECO following its notification to the Company advising that, in accordance with Spanish administrative law, a hearing process in relation to the NSC's decision had been opened and provided Berkeley with the opportunity to submit relevant documentation to MITECO by 4 August 2021.

In addition, the Company has also 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.

Berkeley strongly refutes the NSC's assessment and notes that all documentation submitted by the Company in relation to NCS II has been prepared following advice from independent, nationally and internationally recognised advisors and consultants who are experts in their field.

Since the commencement of the process in 2016, the NSC has to date held six meetings with the Company and on seven occasions requested additional information in relation to NSC II; which the Company promptly responded to with updated information. It is also important to note that, in the Company's view, a large part of the additional information requested in the process by the NSC related to the Authorisation for Operation for the uranium concentrate plant as a radioactive facility ("NSC III") which should only be dealt with following the award of NSC II. However, to ensure the process was conducted in a collaborative manner, the Company provided its responses to the NSC as requested.

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. The Company currently holds certificates in Sustainable Mining (UNE 22470-80), Environmental Management (ISO 14001), and Health and Safety (ISO 45001) which were awarded by AENOR, an independent Spanish government agency.

These management systems ensure that Company procedures are compliant with current regulations, ensure that the environment is protected, the project is sustainable, and that all activities are carried out with respect for and in collaboration with the local communities.

During the quarter, Berkeley 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.

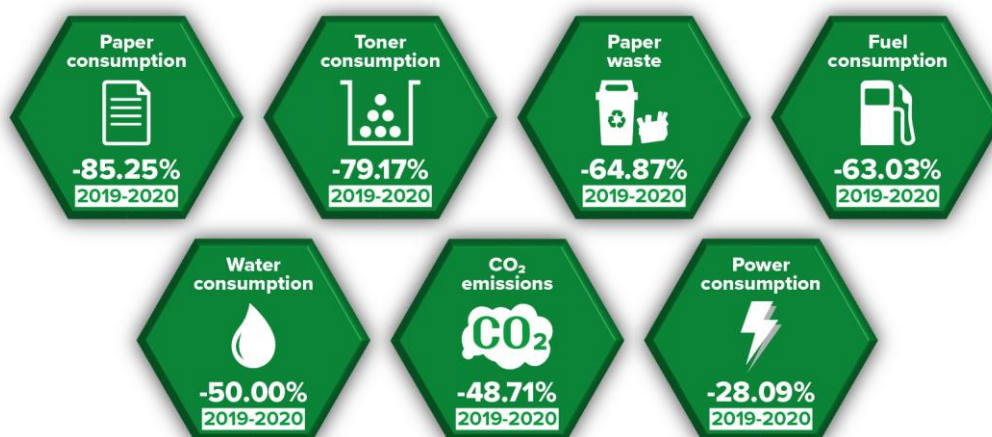


The Sustainability Report, which provides a detailed overview of environmental, social and governance (“ESG”) activities over the 12-month period to 31 December 2020, has been distributed to key stakeholders. The Sustainability Report can also be accessed and downloaded from the Company’s website at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



The Company also strives to uphold the United Nation’s Sustainable Development Goals (“SDGs”). A detailed review of the Company’s business strategy and activities in Spain has recently been conducted, with the objective of evaluating the real contribution that has been made in 2020 through Berkeley’s program of objectives and improvements implemented in terms of sustainability.

The Company’s performance against key indicators and targets during 2019/2020 demonstrated that significant improvement had been achieved, including a 63% reduction in fuel consumption, a 28% reduction in energy consumption, a 50% reduction in water consumption, a 85% reduction in paper consumption, and a 49% reduction in CO₂ emissions. The Company notes that its ‘work from home’ policy which was maintained for much of 2020 has positively impacted the 2020 data however, a longer-term trend of continuous improvement is clearly evident.



In terms of social development, with the aim of promoting participation with the stakeholders, the Company carried out a total of 39 participatory activities with the local communities during 2020.

Following on from the successful 2020 program, the Company has now approved the 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.

Another initiative launched by the Company is the installation of a number of bee hives on Berkeley's property. The implementation of this activity through the agreement with one of the local producers, will constitute further proof of the compatibility of the mining activity with other business activities related to the environment.



In addition, the development of this activity represents yet another demonstration that Berkeley is contributing to the achievement of the SDGs, in this specific case SDGs number 1, 2, 8, 9 and 15.

Internal audits for the Environmental and Sustainable Management Systems have been successfully completed in June. The associated external audits by AENOR are being undertaken in late July.

Monitoring Programs

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

A region exploration program which comprised soil sampling and ground radon gas concentration and exhalation rate survey continued in the Conchas Investigation Permit during the quarter. An assessment of this regional exploration program will be completed once all results are returned and interpreted.



Spanish Regulatory Regime Update:

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As previously reported by the Company, under this amendment:

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Importantly, existing rights for exploration, investigation and exploitation concessions would remain in force during their validity period. Existing proceedings underway would also continue under the legal framework set up by the current regulations.

With the final approval of the Parliament, the review process associated with proposed amendments to the draft climate change and energy transition bill has now been completed, and the new law entered into force following its publication in the Official Spanish State Gazette.

Uranium market:

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The proposed plan of arrangement which would transform Uranium Participation Corporation ("UPC") into a closed end investment trust managed by Sprott Asset Management ("SAM") with UPC becoming a subsidiary of the Sprott Physical Uranium Trust ("SPUT") received resounding support from a UPC shareholder vote in July. 99.9% of the votes cast supported the plan which now requires clearance from the Ontario Superior Court of Justice and other regulatory approvals.



COVID-19:

The ongoing nationwide state of emergency in Spain ended on 9 May 2021, with many restrictions being lifted including allowing restaurants to open again with limits of four people per table and indoor dining limited to 30% capacity.

However, many regional authorities continue to implement tighter restrictions including curfews at night and also their own entry and exit restrictions, permitting travel out of the locality for essential reasons only.

International entry restrictions remain in place, in particular for any travellers flying from locations where highly transmissible COVID-19 variants are in general circulation who are required to self-isolate for 10 days on arrival. Non-essential travel is permitted from EU countries and certain other non-EU countries except for travellers from Brazil, India, and South Africa (other than individuals who possess a certificate of vaccination confirming they have completed a full course of a COVID-19 vaccine authorised by the European Medicines Agency or World Health Organization no less than 14 days prior to entry). Travelers from the UK may also use a negative COVID-19 test no older than 48 hours to enter Spain for nonessential purposes, in addition to a vaccine certificate.

All of the Berkeley team based in Spain are safe and well. Consistent with current Government guidelines, the Company has continued its 'work from home' policy.

Balance Sheet:

The Company is in a strong financial position with A\$80 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.

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



Appendix 1: Summary of Mining Tenements

As at 30 June 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. 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. 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 June 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 rejected during the quarter but this decision has been appealed by the Company.

Appendix 2: Related Party Payments

During the quarter ended 30 June 2021, the Company made payments of \$132,000 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 June 2021, the Company made the following payments in relation to exploration and development activities:

Activity	\$000
Radiological protection and monitoring	208
Permitting related expenditure	355
Consultants and other expenditure	160
Return of VAT in Spain	(592)
Total as reported in the Appendix 5B	132

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(132)	(3,088)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(492)	(1,546)
	(e) administration and corporate costs	(264)	(1,060)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	23
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)	-	-
1.9	Net cash from / (used in) operating activities	(881)	(5,671)
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 (12 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)	(20)
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	(3)	(20)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	79,104	91,764
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(881)	(5,671)
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)	(3)	(20)

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	844	(7,009)
4.6	Cash and cash equivalents at end of period	79,064	79,064

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	79,014	79,054
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)	79,064	79,104

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	(132)
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)	(881)
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)	(881)
8.4	Cash and cash equivalents at quarter end (item 4.6)	79,064
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	79,064
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: 30 July 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.