



BERKELEYenergy

ASX RELEASE | 4 November 2015 | AIM/ASX: BKY

Zona 7 transforms Salamanca project economics

Inclusion of the high grade Zona 7 deposit into an updated Pre-Feasibility Study has transformed the economics of the Salamanca project.

The project now has a Net Present Value of US\$871.3 million (£580.9 million) with an internal rate of return of 93% based on a discount rate of 8% and a long term uranium price of US\$65 per pound.

This valuation represents around £3.22 per share on an undiluted and unfinanced basis compared with the current share price of around £0.22 per share.

Managing Director Paul Atherley commented:

“These outstanding results very much support the Board’s decision to rapidly push ahead with the development of the project.

With the major approvals in place and discussions with potential financiers underway we are expecting to commence site works in mid-2016.”

As previously reported, Zona 7 is a shallow, high grade deposit with impressive metallurgical characteristics located within ten kilometres of the proposed processing plant.

Its inclusion in the updated Study has increased the mine life from eleven to eighteen years and reduced the operating costs from US\$24.60 to US\$15.60 per pound of uranium produced during steady state operations making it one of the lowest cost producers in the world once developed.

In addition to the reduction in operating cost, the capital cost to initial production has reduced from US\$95.1 million to US\$81.4 million due to the lower cost of developing the Zona 7 deposit and the benefits of currency depreciation.

Paul Atherley commented further:

“We believe that the potential exists for further discoveries of Zona 7 style deposits and are finalising an exploration programme to commence in the New Year which will follow up a number of near surface, high grade drill intersections, located within ten kilometres of the plant that have not yet been fully evaluated.”

For further information contact:

Paul Atherley

Managing Director

+44 207 478 3900

info@berkeleyenergy.com

Hugo Schumann

Corporate Manager

+44 207 478 3900



Table 1 - Summary of Key Study Outputs

Pre-Feasibility Study Results (to a maximum accuracy variation +/- 20%)	
Net Present Value (Post-tax @8%)	US\$871.3m
Internal Rate of Return (Post-tax)	93.3%
Mine Life	18 years
Start of Construction	2016
First Production	2017
Annual Saleable Production (steady state operation)	4.3 Mlb of U ₃ O ₈
Annual Saleable Production (life of mine)	3.0 Mlb of U ₃ O ₈
C1 Cash Cost (steady state operation)	US\$15.6 /lb
C1 Cash Cost (life of mine)	US\$17.5 /lb
C2 Cash Cost (steady state operation)	US\$18.0 /lb
C2 Cash Cost (life of mine)	US\$19.8 /lb
Capital to first Production	US\$81.4m
Stripping Ratio – Life of Mine (ore:waste)	1:1.8
Peak Annual EBITDA	US\$261.8m



Introduction

This Pre-Feasibility Study (Study) has been managed internally utilizing inputs from a number of independent contractors.

Table 2 – Study Contractors

Consultant	Activity
SENET	Retortillo & Alameda: <ul style="list-style-type: none"> • Study Management • Process Plant • Infrastructure • Capital and Operating Costs
SRK	Retortillo & Alameda Mine Design and Scheduling
Golder Associates	Mining Waste Characterisation
Mintek	Metallurgical Testwork
ANSTO	Metallurgical Testwork
Randolph Scheffel	Metallurgical Testwork Design and Metallurgy
Knight Piésold	Heap Design
Jenike & Johanson	Retortillo and Alameda: Rípios Material Flow Characterisation
FRASA/INGEMISA	Hydrogeology
URS	Retortillo & Alameda: <ul style="list-style-type: none"> • Environmental Management, • Radiological Protection • Permitting
Iberdrola	Retortillo & Alameda Radiological Protection
Duro Felguera	Retortillo & Alameda In-country Project Cost Estimation
March JLT	Insurance Cost Estimation
OHL	Zona 7 Design of facilities and CAPEX estimation

The Study incorporates the Zona 7 deposit into the previous Pre-Feasibility Study which was reported on 26 September 2013.

The Study considers the integrated development of the Retortillo, Zona 7 and Alameda deposits and is based on extracting 69.6 million tonnes of ore at an average grade of 396 ppm U_3O_8 to produce 51.6 million pounds of U_3O_8 .

The Study reports on an initial mine schedule of 17.5 years producing on average 3 million pounds of uranium per year.

After an initial ramp up, production averages 4.3 million pounds per year during steady state operations.



Mineral Resource

The latest Mineral Resource Estimate (MRE) for the Salamanca project is 89.5 million pounds of U₃O₈ (refer to announcement 7 October 2015).

The Study was based solely on the Measured and Indicated MREs for the Retortillo, Zona 7 and Alameda deposits.

The Study did not incorporate any Inferred Mineral Resources from Retortillo, Zona 7 and Alameda (totaling 4.8 million pounds of U₃O₈) nor any Inferred Mineral Resources from the other satellite deposits contained within the overall MRE for the project (totaling 23.6 million pounds of U₃O₈)

Table 3 – Mineral Resource Estimates for Retortillo, Zona 7 and Alameda reported at a cut-off grade of 200 ppm U₃O₈

Deposit Name	Resource Category	October 2015		
		Tonnes (Mt)	U ₃ O ₈ (ppm)	U ₃ O ₈ (Mlbs)
Retortillo	Measured	4.8	412	4.4
	Indicated	11.7	349	9.0
	Inferred	0.2	373	0.1
	Total	16.6	367	13.5
Zona 7	Indicated	17.1	735	27.8
	Inferred	4.9	333	3.6
	Total	22.1	645	31.4
Alameda	Indicated	20.0	455	20.1
	Inferred	0.7	657	1.0
	Total	20.7	462	21.1
Total	Measured	4.8	412	4.4
	Indicated	48.8	528	56.8
	Inferred	5.8	374	4.8
	Total (*)	59.4	503	66.0

(*)All figures are rounded to reflect appropriate levels of confidence. Apparent differences occur due to rounding

Mining

Conventional open pit and transfer mining methods will be used for the mining of the three deposits.



Inputs for the Whittle optimisation included: overall pit wall slope angles of 35-45 degrees for Retortillo, 45 degrees for Zona 7, and 30-55 degrees for Alameda; 85% metallurgical recovery for Retortillo, Zona 7 and Alameda; US\$65 per pound U_3O_8 and a discount rate of 8%.

The economic cut-off grade used to determine the mineable ore within the optimum pit shell to be delivered to run of mine pad and subsequently processed was developed using the Whittle optimisation method, resulting in economic cut-off grades of 105 ppm U_3O_8 for Retortillo, 102 ppm U_3O_8 for Zona 7 and 91 ppm U_3O_8 for Alameda.

Practical pit designs, waste dump designs and life of mine mining schedules were completed to determine the optimal long term mine plan.

The mining schedule covers 17.5 years with initial mining at Retortillo, being replaced by Zona 7 in year 2 and Alameda coming into production in year 3 with Retortillo resuming operation in year 9, once the high grade ore from Zona 7 is mined out.

During the last year and a half the low grade ore from Zona 7 is processed.

An average of 5.2 million tonnes per annum of combined ore production is scheduled during steady state operation (years 2-11).

The average strip ratio over the life of mine is 1:1.84 ore to waste (Retortillo 1:2.7; Zona 7 1:0.98 and Alameda 1:1.8).

Mining operations will be carried out by a contractor with operations based on the use of hydraulic excavators and a fleet of haul trucks engaged in conventional open pit mining techniques.

Drill and blast will be employed mining bench heights of six metres in each of the three deposits.

The mining method will be 'transfer mining' which allows the open pits to be continuously backfilled whilst minimising waste dump volumes and waste rehandling.

The method facilitates continuous rehabilitation to minimize any potential environmental impact.

Metallurgical Testwork

Metallurgical results were determined from test work carried out on five tonnes of representative ore sample from the Alameda deposit, 6.5 tonnes from the Retortillo deposit, and 370 kilograms from the Zona 7 deposit.



From previous experience on this ore type from other deposits nearby, and with the continuity of the Zona 7 deposit reported from the infill drilling program that recently upgraded the resource to the Indicated category, there is a reasonably high level of confidence in the batch tests results obtained for Zona 7 deposit ore.

A further program on a bulk sample and a commercial height test will be undertaken as part of the Definitive Feasibility Study.

Process Route

The process flowsheet comprises crushing, screening, agglomeration, stacking and heap leaching using on-off leach pads, followed by uranium recovery and purification by solvent extraction.

The concentrated uranium solution from the solvent extraction plant is treated to precipitate the uranium in the form of Ammonium Diuranate (ADU) using anhydrous ammonia. The ADU is then calcined to produce U_3O_8 (yellow cake).

At Zona 7, only a primary crusher will be required, and crushed ore will be conveyed ten kilometres to the process plant located at Retortillo where the ore will be incorporated into the flowsheet via the secondary crusher.

The Alameda heap leach pregnant liquor solution will be loaded onto resin via an ion exchange adsorption column and the loaded resin transported approximately 50 kilometres by road to the Retortillo plant for final extraction and purification.

Testwork indicates high recoveries and excellent leach kinetics achieved at relatively coarse crush sizes of 40 mm for the Retortillo and 12 mm for Alameda and Zona 7 ore types, resulting in lower capital and operating costs.

A recovery rate of 85% has been adopted as the process design criteria for the three deposits.

An important environmental benefit is the backfilling of spent ore from the on-off heap leach pads ('ripios') into the mined pits, thus removing the requirement for a tailings storage facility.

Crushed ore will be agglomerated with raffinate and sulphuric acid, conveyed overland and stacked on the heap leach pad with radial stackers.

The heap leach comprises an on-off pad subdivided into cells to define areas for stacking, leaching, rinsing/draining and reclaiming.

The agglomerated material is stacked in six metre lifts and irrigated with a dilute sulphuric acid solution. The Study uses a commercial leach cycle of 140 days.



At Retortillo the total heap capacity is 3.3 million tonnes and will be used to leach the ore from the Retortillo and Zona 7 deposits. The Alameda heap leach pad has a total capacity of 5 million tonnes.

The ripios will be backfilled into lined areas (clay layer and HDPE liner) within the mined pits on a continuous basis.

Acid consumption for the heap leach is estimated at 18 kg/tonne of ore for the Retortillo and Alameda ores, whereas for the Zona 7 ore is only 12 kg/tonne.

The solvent extraction plant will produce a raffinate of $< 5 \text{ mg/l } \text{U}_3\text{O}_8$. The facility will treat the pregnant liquor from the heap at Retortillo, combined with the eluate from the resins coming from Alameda. Regenerated resin will be returned to Alameda for re-use.

The concentrated uranium solution from the solvent extraction plant is treated with anhydrous ammonia, raising the pH to around 7 to precipitate the uranium as ADU.

The ADU slurry is dewatered with centrifuges and calcined at a temperature of 730 degrees to produce U_3O_8 which is drummed as yellow cake and prepared for shipping.

Analysis of the yellow cake produced from the Retortillo ore (and analysis of the pregnant liquors from the Zona 7 and Alameda deposits) indicate that there are no impurities at levels that could adversely impact the sale of the product.

Infrastructure

The project is favourably located with respect to existing infrastructure.

The Retortillo, Zona 7 and Alameda deposits are readily accessible from the existing public road network, with only a 4.1 kilometre road deviation required at Retortillo and the upgrade (widening and tarring) of 6.4 kilometres of an existing road necessary at Alameda and 1.3 kilometre at Zona 7.

The power requirements for the project are low at an estimated 3.7 megawatts ('MW') of consumed power at Retortillo, 2.1 MW at Zona 7, and 3.2 MW at Alameda.

Power will be supplied from the nearby National Distribution Grid at a cost of US\$0.10 per kilowatt hour. The connection will require construction of a 13 kilometre 45 kV powerline to the Alameda deposit site.

Water will be available from adjacent water courses and on-site sources such as pit dewatering bore holes and collection systems designed to capture rain and surface run-off water during the wet season.



The water balance at all sites changes from being negative during the initial years of production to positive for the remainder of the mine schedule when discharge will be required to accommodate all water sources.

Contact water (process and mine water requiring pre-discharge treatment) will be neutralised in water treatment plants located at Retortillo, Zona 7 and Alameda prior to any required discharge.

The capital and operating cost of on-site accommodation facilities will not be required due to the proximity of the city of Salamanca - 70 kilometres from Retortillo - and local towns and villages.

An on-site sulphuric acid plant is also not required as sulphuric acid is readily available from two regional sources at a cost of ~€100 per tonne delivered to site.

Capital Costs

The initial capital cost of all infrastructure and indirect costs required to develop and commence production at Retortillo is estimated at US\$81.4 million.

The capital cost for the mine, processing facilities and associated infrastructure for Zona 7 is US\$53.9 million. This cost, which will be incurred in the first year of production, includes all infrastructure and indirect costs required.

The capital cost for the mine, processing facilities and associated infrastructure for Alameda is estimated at US\$65.0 million and will be incurred in year 2.

The indirect costs include the first fill of reagents, spares, Engineering, Procurement and Construction Management (EPCM) costs, Preliminary and General (P&G) costs and a 15% contingency for the proposed facilities.

Working capital, amounting to US\$21 million, is required to support eight months of operation after start-up at Retortillo and has been included in the year 1 operating cost estimate.

The engineering studies supporting the capital cost estimates for the project allow for a level of accuracy of nominally +/- 20%.

A summary of major capital costs is shown in Tables 4 to 6 below:



Table 4 – Retortillo Up-Front CAPEX

Description	Cost (US\$ million)
Mining (pre-strip)	7.6
Processing	36.4
Plant Related Infrastructure	7.1
Waste Dumps, Water Management, etc.	5.9
Other Capex	6.4
G&A	1.9
Indirect Costs	16.3
TOTAL	81.4

Apparent differences in totals occur due to rounding

Table 5 – Zona 7 Up-Front CAPEX

Description	Cost (US\$ million)
Mining (pre-strip)	3.8
Processing	26.0
Plant Related Infrastructure	4.5
Waste Dumps, Water Management, etc.	4.2
Other Capex	2.7
G&A	0.2
Indirect Costs	12.4
TOTAL	53.9

Apparent differences in totals occur due to rounding

Table 6 – Alameda Up-Front CAPEX

Description	Cost (US\$ million)
Mining (pre-strip)	4.4
Processing	27.7
Plant Related Infrastructure	6.0
Waste Dumps, Water Management, etc.	7.5
Other Capex	5.3
G&A	0.2
Indirect Costs	14.0
TOTAL	65.0

Apparent differences in totals occur due to rounding

An additional US\$5.1 million is required in year 2, and US\$2.1 million in year 3 at Zona 7 for temporary dumps and reclaiming systems.

At Retortillo, an additional US\$16.2 million of capital is required to develop a second major pit in year 14.

Operating Costs

The average steady state operating cost has been estimated at US\$15.60 per pound of U₃O₈ produced.



The average operating cost for the life of mine is US\$17.51 per pound of U₃O₈ produced.

The operating costs (C1 cash costs) are defined as the direct operating costs including contract mining, processing, ripios backfill, water treatment and G&A.

Table 7 - Summary of Life of Mine Operating Costs (nominally ± 20% accuracy)

Description	Cost (US\$/lb U ₃ O ₈)		
	Zona 7	Retortillo	Alameda
Mining	4.95	12.72	8.40
Processing (including ripios backfill)	6.04	11.10	9.02
G&A	0.98	1.93	1.84
Subtotal by Area	11.97	25.75	19.26
Total Average Operating Costs	17.51		

In addition to the C1 cash operating costs are marketing and transport costs, estimated at 1.5% of the gross value of the final product (US\$0.97 per pound U₃O₈ produced), and royalties which average US\$1.32 per pound U₃O₈ produced over the life of mine.

The royalties are defined as a percentage of the net value of the product (gross value less commercialisation) and include the State Reserves Royalty (2.5%, applied only to production at Alameda), Municipality Royalty (0.2%, applied to all project revenues) and an Anglo Pacific Royalty (1.0%, applied to all project revenues).

Environmental, Waste Management and Rehabilitation

The Environmental Licence for Retortillo was granted by the Regional Government of Castilla and León in 2013 and required the completion of environmental and social baseline studies culminating in the submission of the ESIA, together with the Exploitation Plan and the Reclamation and Closure Plan for Retortillo.

The ESIA and associated documentation were subjected to extensive review by all relevant authorities and key stakeholders, including a 30 day Public Information Period prior to the grant of the Environmental Licence.

The Environmental Licence covers all mining and processing activities, including treatment of loaded resin transported to Retortillo from other deposits.



Waste has been characterised and classified into four types. Inert waste will be managed using standard industry procedures, placing the material on permanent waste dumps or backfilling the material directly into mined areas within the pits. The other three waste types require waste management strategies that include waste being placed on temporary pads and subsequently backfilled into the mined pit, both with required isolation systems (clay layer and HDPE liner).

The costs associated with the continuous rehabilitation programs and closure programs include the pit preparation for backfilling, rehandling of temporary dumps for backfill and the rehabilitation of the surface. Costs associated to the preparation of the pits for backfilling are incurred from year 2 of operations and amount to US\$6.8 million for Retortillo, US\$11.0 million for Zona 7 and US\$10.1 million for Alameda.

The cost associated to rehandling at the end of the mine life is US\$22.7 million for Retortillo, US\$11.6 million for Zona 7 and US\$25.9 million for Alameda.

The rehabilitation and closure accounts for US\$24.6 million at Retortillo, US\$19.5 million at Zona 7 and US\$29.3 million at Alameda.

Pit preparation for backfilling and reclamation systems have been treated as capital costs while reclamation and backfilling have been treated as operating costs.

Community and Employment

Management has worked closely with all stakeholders, including local communities and relevant government authorities, in all aspects of work conducted on the project to date.

As part of these efforts, the Company has signed co-operation agreements with the three municipalities proximal to Retortillo and Zona 7.

These agreements are an important step in the final permitting phase to production.

As part of the agreements, assuming strict compliance with law, the municipalities have undertaken to actively and promptly contribute the required administrative procedures to achieve the necessary authorisations.

The Company in turn has committed to contribute to the economic and social development of the municipalities.

Similar agreements are being negotiated with the relevant municipalities proximal to Alameda.

The workforces required for the construction and operational phases of the project will be sourced from the local communities whenever possible in combination with a small number of highly skilled professionals who will be recruited from elsewhere in Spain or abroad.



The Company has commenced skills training programs for local employees who have been drawn from the local region which has a history of over thirty years of uranium mining operations.

The Company currently estimates that an ongoing workforce of approximately 450-500 direct employees (including mining and other permanent contractors) will be required during steady state operations.

The University of Salamanca has estimated a multiplier effect whereby 5.2 indirect jobs will be created for every direct job, making the project a significant contributor to job creation in an area suffering badly from the effects of rural desertification.

Permitting

A Ministerial Order was signed and gazetted by the Secretary of State for Energy granting Berkeley's subsidiary, Berkeley Minera España the Initial Authorization for the treatment plant at Retortillo as a radioactive facility.

The Company has now received all the European Union, National, Regional and Provincial level approvals required for the initial infrastructure development of the Salamanca project at Retortillo, where production is scheduled to commence.

With the Mining Licence and Environmental Licence already obtained, the final approvals comprise the locally issued Urbanism Licence and the Construction Authorisation by the Ministry of Industry, Energy and Tourism.

The final stages of the local approvals are well advanced and expected to be finalised well ahead of the targeted commencement of site works in mid-2016.

Exploration Upside

The current MRE and Study represent a solid base case for Berkeley as it moves towards its objective of becoming a uranium producer in the near term. The Study did not incorporate any Inferred Mineral Resources currently contained within the overall MRE for the project (which comprise an additional 28.4 million pounds U_3O_8). The Company believes substantial potential exists to both upgrade and increase the resource base and, therefore, extend the mine life at Salamanca.

Exploration drilling will commence during early 2016 to test a number of drill targets located within ten kilometres of the approved processing facility and where historical drilling has intersected high grades of uranium without being fully advanced.



Net Present Value & Internal Rate of Return

The (ungeared) Net Present Value after tax is US\$871 million at an 8% discount rate (real), and the (ungeared) IRR is 93%. The project is expected to exhibit levels of profitability that would contribute value to Berkeley shareholders.

Table 8 - Project Net Present Value

Discount Rate (Real)	8%	10%
NPV	US\$871 million	US\$763 million

Sensitivity Analysis

A uranium price of US\$65 per pound was used for the Study and represents a consensus view of market analysts' long-term price to incentivise new uranium production.

The Company expects to enter into long-term uranium concentrate sale and purchase agreements with major power utilities on terms and conditions that reflect uranium industry norms.

Assuming the current long-term contracted uranium price of approximately US\$44 per pound (source: Raymond James) is used for the Study, the (ungeared) Net Present Value after tax is US\$420.5 million at an 8% discount rate (real), and the (ungeared) IRR is 57%. This demonstrates the excellent and robust economics of the project.

Sensitivity of the (ungeared) NPV results to changes in the key drivers of the DCF model are presented in the table below:

Table 9 – Project NPV Sensitivity Analysis

	NPV at 8% discount rate (US\$ million)				
	-10%	-5%	Base Case	+5%	+10%
Production	733	802	871	940	1,009
U₃O₈ Benchmark Price	754	813	871	930	988
Operating Costs	907	889	871	854	836
Capital Costs	881	876	871	866	861



Next Steps Definitive Feasibility Study ('DFS')

Prior to the award of the DFS a technical review of all aspects of the Study has commenced which will identify the opportunities to enhance the project economics through optimisation and capital and operating cost reductions.

The award of the DFS is anticipated in November 2015 and the DFS is expected to be completed in May 2016.

Following the Board's decision to push ahead with the overall development of the project and the recent positive announcements on approvals, drill results, metallurgical test work and the Study, the company has received a number of approaches from potential financiers which are now being advanced.



Material Assumptions

The Study, Production Target, MRE and forecast financial information derived from the Study, Production Target and MRE contained in this announcement, are based on the material assumptions summarised below.

The Mineral Resources underpinning the production target have been prepared by a Competent Person. The Study and production target are based solely on the Measured and Indicated Mineral Resources for the Zona 7, Retortillo and Alameda deposits. The Study and production target do not incorporate any Inferred Mineral Resources.

Table 10 – Material Assumptions

Table of Material Assumptions Underpinning the Study	
Maximum Accuracy variation	+/- 20%
Mine Life	18 years
Mining Method	Open pit and transfer mining
Strip Ratio (life of mine average)	1:1.84
Mining Cut-off Grades	105 ppm U ₃ O ₈ for Retortillo, 102 ppm U ₃ O ₈ for Zona 7 and 91 ppm U ₃ O ₈ for Alameda
Overall Pit Wall Slope Angles	35-45 degrees for Retortillo, 45 degrees for Zona 7, and 30-55 degrees for Alameda
Processing Method	Heap leaching using on-off leach pads, followed by uranium recovery and purification by solvent extraction, ammonium diuranate precipitation and calcination
Annual Ore Processing Rate (steady state)	5.2 Mtpa
Annual U ₃ O ₈ Production (steady state)	4.3 Mlbs
Metallurgical Recovery	85%
Acid Consumption	18 kg/t for Retortillo & Alameda, and 12 kg/t for Zona 7
Mining Costs	US\$12.72/lb for Retortillo, US\$4.95/lb for Zona 7,



Table of Material Assumptions Underpinning the Study	
	US\$8.40/lb for Alameda
Processing Costs	US\$11.10/lb for Retortillo, US\$6.04/lb for Zona 7, US\$9.02/lb for Alameda
G&A Costs	US\$1.93/lb for Retortillo, US\$0.98/lb for Zona 7, US\$1.84/lb for Alameda
Initial Capital Costs (Retortillo)	US\$81.4 million
Initial Capital Costs (Zona 7)	US\$53.9 million
Initial Capital Costs (Alameda)	US\$65.0 million
Commercialisation Costs	1.5%
State Reserves Royalty – ENUSA (Alameda)	2.5%
Municipality Royalty	0.2%
Anglo Pacific Royalty	1.0%
Corporate Tax Rate	25.0%
Exchange Rate USD / EUR	1.11
Exchange Rate GBP / EUR	0.74
Uranium Sales Price	US\$65/lb
Discount Rate	8%

*Mtpa = Million tonnes per annum
Mlbs = Million pounds of U₃O₈*



Competent Persons Statement

The information in this report that relates to the Mineral Resources for Zona 7 and Retortillo is extracted from the reports entitled 'Increase in Zona 7 grade' dated 7 October 2015 and 'March 2015 Quarterly Report' dated 29 April 2015 which are available to view on Berkeley's website at www.berkeleyenergy.com. The information in the original ASX announcements is based on information compiled by Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by Maja Mining Limited, an independent consulting company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to the Mineral Resources for Alameda (refer ASX announcement dated 31 July 2012) is based on information compiled by Craig Gwatkin, who is a Member of The Australasian Institute of Mining and Metallurgy and was an employee of Berkeley Energy Limited at the time of initial disclosure. Mr Gwatkin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gwatkin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to the Metallurgical Testwork Results for Zona 7 is extracted from the report entitled 'Impressive Metallurgical Testwork Results on Zona 7' dated 8 September 2015 and is available to view on Berkeley's website at www.berkeleyenergy.com. The information in the original ASX Announcements is based on information compiled by Mintek under the supervision of Mr David Dodd, who is a Fellow of the Southern African Institute of Mining and Metallurgy. Mr Dodd is independent of Berkeley and is an independent consulting metallurgist affiliated to MDM Engineering Limited an independent engineering company based in South Africa. Mr Dodd has sufficient experience which is relevant to metallurgical processing of the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to the Pre-Feasibility Study is based on information compiled by Mr Francisco Bellon, a Competent Person who is a member Australasian Institute of Mining and Metallurgy. Mr Bellon is the General Manager Operation for Berkeley Energy Limited and a holder of shares, options and performance rights in the Company. Mr Bellon has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bellon consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Production Target

The Mineral Resources underpinning the production target have been prepared by a Competent Person in accordance with the requirements in Appendix 5A (JORC Code).

The Pre-Feasibility Study and production target are based solely on the Measured and Indicated Mineral Resources for the Zona 7, Retortillo and Alameda deposits. 7.2% of the Mineral Resources underpinning the production target are in the Measured category and 92.8% are in the Indicated category. The Pre-Feasibility Study and production target do not incorporate any Inferred Mineral Resources.

Forward Looking Statement

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company 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 the Company's mineral properties.