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POSITIVE PRE-FEASIBILITY STUDY CONFIRMS POTENTIAL OF SALAMANCA URANIUM PROJECT

Highlights:

- Steady state annual production of 3.3 million pounds U_3O_8 over a 7 year period, with average annual production of 2.7 million pounds U_3O_8 over an initial 11 year life of mine;
- Pre-Feasibility Study considered a base case scenario, with strong potential to increase the production profile and/or mine life;
- Average operating costs (C1 cash costs) of US\$24.60 per pound of U_3O_8 over the life of mine; and
- Upfront capital cost of US\$95.1 million to deliver initial production. A further US\$74.4 million, incurred in the second year of production, to achieve steady state operation.

Berkeley Resources Limited ('Berkeley' or 'the Company') is pleased to announce that the Pre-Feasibility Study ('PFS' or the 'Study') for the Company's flagship Salamanca Project (the 'Project') in Spain has confirmed the technical and economic viability of the Project.

The Directors believe that the successful completion of the Salamanca Project PFS has clearly demonstrated its potential to support a significant scale, long life, low cost uranium operation. Furthermore, recent results from the Gambuta and Zona 7 deposits, and the exploration potential in proximity to planned operations, highlight the potential to increase the mine life and/or forecast production levels of this base case scenario. Having accomplished this significant milestone, the Company will now focus on advancing the Project through the DFS phase, moving it closer to fulfilling its strategic objective of becoming a uranium producer in the near to medium term.

Using only the current Mineral Resource Estimates for Retortillo and Alameda, which total 34.5 million pounds U_3O_8 (36.9 million tonnes at 424 ppm; 200 ppm U_3O_8 cut-off grade), as a base case scenario, the Project can support an average annual production of 3.3 million pounds of U_3O_8 during the seven years of steady state operation and 2.7 million pounds of U_3O_8 over a minimum eleven year mine life. There is strong potential to increase the production profile and/or mine life through the exploitation of additional resources held by the Company (totalling 27.1 million pounds U_3O_8) and with ongoing exploration work.

The PFS is based on open pit mining, heap leaching using on-off leach pads, a centralised process plant at Retortillo, and a remote ion exchange operation at Alameda, with loaded resin trucked to the centralised plant for final extraction and purification. The open pits are shallow (maximum depth of 135 metres) with low strip ratios (average 1:2.1 ore to waste for the Project over the life of mine). During steady state operation the annual ore processing rate is 5.5 million tonnes. Operating costs (C1 cash costs) average US\$24.60 per pound U_3O_8 over the life of mine.



The initial capital cost (nominally $\pm 20\%$ accuracy) for the Project is estimated at US\$95.1 million. This cost is inclusive of all mine, processing, infrastructure and indirect costs required to develop and commence production at Retortillo. A further US\$74.4 million of capital, incurred in the second year of production, is required to develop Alameda and achieve steady state operation. The Project's capital cost reflects the excellent existing infrastructure, use of heap leaching as the preferred processing route, and the favoured mining contractor scenario (no mining fleet capital expenditure).

A number of opportunities to further enhance the Project economics through capital and operating cost reductions were identified in the PFS. The Company will now undertake a review process, with a view to assessing these opportunities and defining key work programs to be incorporated into the final scope of the Definitive Feasibility Study ('DFS'). The DFS is anticipated to be awarded by the end of 2013 and completed by the end of 2014.

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Introduction

Berkeley is focused on the development of its wholly owned flagship Salamanca Project in western Spain (Figure 1). The Project includes the Retortillo, Alameda and Gambuta deposits as well as a number of Satellite Deposits. This announcement outlines the positive results from a PFS on the integrated development of Retortillo and Alameda.



Figure 1: Location of the Salamanca Project, Spain

The PFS was managed by SENET and was completed by a number of industry recognised specialist consultants including SRK Consulting for mine design, Knight Piésold for heap leach design, Duro Felguera for project cost estimates and URS for environmental management.

The key considerations for the PFS were preferred mining method and mining schedule, preferred processing route, scale, throughput rate, project life, as well as development of the associated infrastructure taking due cognisance of community and environmental impacts.

The basic approach to the development of Retortillo and Alameda contemplated in the PFS includes:

- Mining to commence at Retortillo. Alameda integrated into production in Year 3;
- Open pit mining at both sites (transfer mining to facilitate continuous rehabilitation);
- Heap leaching using on-off leach pads at both sites;
- Centralised solvent extraction ('SX') and ammonium diuranate ('ADU') precipitation plant, located at Retortillo; and
- Remote ion exchange ('IX') operation at Alameda, with loaded resin trucked to the centralised plant for final extraction and purification.



Key parameters used in the PFS include:

- Ore Processing Rate 5,500,000 tonnes per annum (steady state)
- Mining Cut-off Grades 105 ppm U₃O₈ for Retortillo and 90 ppm U₃O₈ for Alameda
- Metallurgical Recovery 85%
- Uranium Price US\$65 per pound U₃O₈
- Exchange Rate US\$/€ 1.28

The PFS has been based solely on the Mineral Resource Estimates ('MRE's') for Retortillo and Alameda and the minimum Project life of eleven years (including seven years of steady state operation) is considered a base case scenario. Given the significant additional Mineral Resources and exploration upside associated with Gambuta, Zona 7 and other Satellite Deposits, significant potential exists to increase the production profile and/or project life.

Geology and Mineral Resources

Retortillo and Alameda are both vein type uranium deposits hosted in meta-sedimentary sequences adjacent to granitic intrusives.

At Retortillo, the mineralised envelope is generally sub-horizontal and the mineralisation is contained within a stockwork of veins. The uranium mineralisation appears to be associated with the presence of sulphides within the partially weathered zone and the base of mineralisation is associated with the base of partial weathering which locally deepens along structures.

At Alameda, the uranium mineralisation occurs in a complex network of moderately to steeply dipping brittle structures (veins, faults, fractures and along bedding contacts) as a result of a low temperature hydrothermal event. The mineralised zones commonly have sharp boundaries, separating mineralised structures from poorly mineralised host rock.

The PFS was based solely on the MRE's for Retortillo and Alameda (Table 1), prepared by Berkeley and reported in accordance with the JORC Code (2004).

Table 1 - Summary of MRE's used as the basis of the PFS

Retortillo and Alameda Mineral Resource Estimates – September 2013 Reported at a lower cut-off grade of 200 ppm U ₃ O ₈				
	Category	Tonnage (million tonnes)	Grade (U ₃ O ₈ ppm)	Contained U ₃ O ₈ (million pounds)
Retortillo	Indicated	14.4	378	12.0
	Inferred	1.8	359	1.4
	Sub Total	16.2	376	13.4
Alameda	Indicated	20.0	455	20.1
	Inferred	0.7	657	1.0
	Sub Total	20.7	462	21.1
Combined	Indicated	34.4	423	32.1
	Inferred	2.5	443	2.4
	Total	36.9	424	34.5



These MRE's are based on a combination of chemical assays and e-grades (down-hole gamma logging data presented as "equivalent" U_3O_8 grades or e U_3O_8) from historical drilling, supplemented by additional diamond ('DD') and reverse circulation ('RC') drilling by Berkeley with both chemical assays and e-grades. They were developed by a team of in-house and consulting geologists following a rigorous program to verify historical data and create a validated database containing all historical and recent data.

The Alameda MRE is unchanged from that reported in July 2012 and is based on data from approximately 41,000 metres of historical DD drilling and 11,000 metres of DD and RC drilling undertaken by Berkeley.

The Retortillo MRE has been updated to incorporate the results of a recent RC infill drilling program which comprised 67 RC drill holes for 4,382 metres and is reported herein (Table 1). The Retortillo MRE was previously reported in July 2012. A comparison between the September 2013 MRE and July 2012 MRE highlights the following:

- Total tonnes have increased by 7% (16.2 million tonnes vs. 15.2 million tonnes);
- Average grade has decreased by 2% (376 ppm U_3O_8 vs. 383 ppm U_3O_8);
- Total contained uranium has increased by 5% (13.4 million pounds U_3O_8 vs. 12.8 million pounds U_3O_8); and
- Indicated Resources have increased from 61% to 90% of total MRE.

These changes are largely attributable to the inclusion of the results of the recent infill drilling, which were mostly in line with expectations based on the previous July 2012 resource model, and they also confirmed that the mineralisation extends a further 200 metres to the northwest beyond the previous resource boundary. A summary of the information used in the September 2013 resource estimation is as follows.

Drilling of the Retortillo deposit has occurred in two phases comprising a total of 1,019 drill holes for 68,727 metres. The first phase relates to historical drilling from the 1960's to 1980's (30% of total drilling) and second phase was conducted by Berkeley from 2007 until present (70% of total drilling). The drilling has been a combination of DD, RC and open hole (OH) drilling, comprising 43%, 50% and 7% of total drilling respectively. The drill hole spacing for the majority of the resource is 50 metres x 50 metres, with some areas of infill drilling to 35 metres x 35 metres. DD core recoveries typically exceed 90%. Drill hole locations from Berkeley drilling have been surveyed using differential GPS and were also surveyed using a Geovista downhole deviation probe. Historic drill holes were not surveyed but verification of drill holes that could be located has shown that there were no significant errors.

Sampling of diamond core was completed using 0.2, 0.25 or 1 metre sample lengths. For the historic DD, whole core samples were used while for the Berkeley drilling core was cut to achieve either half or quarter core samples. RC drill samples were collected using one metre intervals and these samples were split to achieve 0.7-1.0 kilogram samples which were sent for analysis. Splitting employed either a riffle splitter or a cone and quarter method. Field tests of the two methods found that both produce representative samples. The historic OH drilling was not sampled and relied on downhole gamma logging to define the mineralised zones.

All Berkeley drill holes were down-hole gamma logged and e-grades calculated from down-hole gamma emissions recorded with standard gamma probes. The gamma response was converted to an estimated uranium grade by correcting for radon, hole diameter, and air/water, and a deconvolution filter was applied to reflect the nature of mineralisation. For the resource estimate, e-grade data is only used where there were no assay data.



The sample preparation of all samples involved oven drying and crushing to achieve a grind size of 85% passing 75µm. Berkeley samples were analysed for uranium by either delayed neutron counting ('DNC') or pressed powder x-ray fluorescence ('XRF') methods. Historic samples were analysed for uranium by XRF, atomic absorption spectrometry ('AAS') or fluorometric methods. Berkeley sample batches were prepared with standards and blanks inserted at a frequency of between 15 and 20% before dispatch to the laboratory. Field duplicates were also inserted at a frequency of 10%. There is no data available regarding quality assurance and quality control ('QAQC') from the historic drilling, but recent drilling of twinned holes have shown good correlation of mineralised intervals.

The geological interpretation was undertaken on 25 metre spaced sections with wireframes interpreted around the mineralised intercepts taking into account geology and structure where possible. These sectional interpretations were joined to create a series of 3D mineralised wireframes (domains) that showed continuity of grade along and across strike.

Basic statistics and variogram modelling was completed using one metre sample composites within each domain. As most sample populations had significant positive skewness, grade top cuts were applied. The block model was constructed using a parent cell size of 10 metres (X) x 10 metres (Y) x 3 metres (Z) with cells being permitted to split once in any direction where bounding surfaces of the mineralised wireframes were intersected. The uranium grade was estimated into the parent cells using ordinary kriging. Over 2,300 density determinations were completed on diamond drill core and average densities, based on the amount of weathering, were assigned to the resource blocks.

Validation of the models included visual inspection of the grade distribution compared to the drill hole data, comparison of block model and drill hole statistics and creation and assessment of swath plots. Overall the grade estimate showed a good representation of the drill hole data for the resource.

Classification of the MRE has been completed based on the guidelines specified in the JORC Code (2004 Edition). The MRE was classified with consideration of the following criteria:

- Quality and reliability of raw data (sampling, assaying, surveying);
- Confidence in the geological interpretation;
- Number, spacing and orientation of intercepts through mineralised zones;
- Knowledge of grade continuities gained from observations and geostatistical analyses; and
- The potential prospect for eventual economic extraction.

A key consideration in the resource classification is the understanding of the structural controls on the mineralisation at a local scale. Recent infill drilling has resulted in improved confidence in that most drill results supported the previous resource model predictions. For the Retortillo deposit, where the drill spacing is 50 metres x 50 metres or less the resource has been classified into the Indicated Resource category. Small areas, where the drill spacing is greater than 50 metres x 50 metres remain classified in the Inferred Resource category.

Further technical details on the Retortillo MRE are included in Appendix 1.

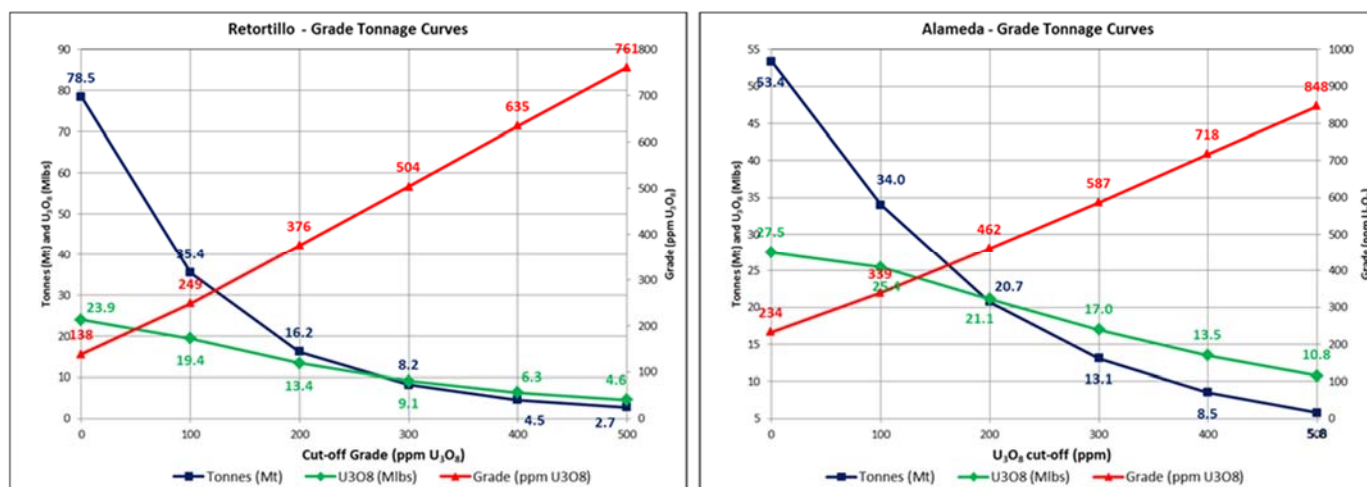


Figure 2: Grade Tonnage Curves

Whilst the Retortillo and Alameda MRE's are reported at a 200 ppm U₃O₈ lower cut-off grade, the grade tonnage curves (Figure 2) highlight the significant impact that the cut-off grade has on the resource estimate. At a 100 ppm U₃O₈ cut-off grade, which approximates the mining cut-off grade derived from the pit optimisations undertaken in the Study, the resource estimates for Retortillo and Alameda total 19.4 million pounds and 25.4 million pounds contained U₃O₈ respectively. This represents increases of 45% and 20% respectively in contained uranium, compared with the MRE at the 200 ppm lower cut-off grade.

Although the Study has been based solely on the Retortillo and Alameda MRE's, the Company has a 100% interest in additional Inferred Resources totalling 27.1 million pounds of contained U₃O₈ (28.5 million tonnes averaging 431 ppm U₃O₈ at a 200 ppm U₃O₈ cut-off grade, refer ASX June 2012 Quarterly Report) at Gambuta, Zona 7 and other Satellite Deposits, which are in close proximity to Retortillo and Alameda and have the potential to be integrated into later phases of production. These additional resources have not been considered in the PFS and their inclusion in subsequent studies, together with the significant exploration upside as recently demonstrated at Zona 7, has the potential to increase the mine life and/or production scale of the Project.

Mining

The mining of ore and waste is a conventional open pit operation. Diesel-powered truck and shovel operations, in combination with an effective drill and blast plan have been considered for both deposits.

As part of the Study, a series of Whittle optimisations were completed on the Retortillo and Alameda July 2012 MRE's. Materials classified in the Indicated and Inferred categories for Retortillo and Indicated category for Alameda were used in the optimisation process. A subsequent infill drilling program at Retortillo resulted in that portion of the Inferred Resource in the July 2012 MRE which fell within the optimised pit outline being upgraded to the Indicated category in the revised September 2013 MRE. Given that there was no material change to the revised September 2013 MRE, other than the upgraded classification, the initial optimised pit based on the July 2012 MRE was used for the Retortillo pit design and mine scheduling.

Inputs for the Whittle optimisation process included: overall pit wall slope angles of 35-45 degrees for Retortillo and 30-55 degrees for Alameda; 85% metallurgical recovery for both Retortillo and Alameda; US\$65 per pound U₃O₈; and an 8% discount rate.

The economic cut-off grade used to determine the mineable ore within the optimum pit shell to be delivered to run of mine ('ROM') pad was developed using the Whittle optimisation method, resulting in economic cut-off grades of 105 ppm U₃O₈ for Retortillo and 90 ppm U₃O₈ for Alameda.



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

The mining schedule extends over 11 years with initial mining at Retortillo. The seven year period of steady state operation begins in Year 3, when mining commences at Alameda.

An average of 5.5 million tonnes per annum of combined ore production is scheduled during steady state operation (Retortillo - 2.2 million tonnes per annum; Alameda - 3.3 million tonnes per annum) (Figure 3). At its peak, the mining schedule contemplates the movement of a combined 18.1 million tonnes per annum (both waste and ore). The open pits are shallow with the maximum depths being 90 metres at Retortillo and 135 metres at Alameda (Figures 4 and 5). Strip ratios for the Project are low with the average LOM strip ratio being 1:2.1 ore to waste (Retortillo 1:2.6; Alameda 1:1.8). Over the LOM, a total of 20.0 million tonnes at an average grade of 306 ppm U_3O_8 and 29.9 million tonnes at an average grade of 322 ppm U_3O_8 are mined at Retortillo and Alameda respectively.

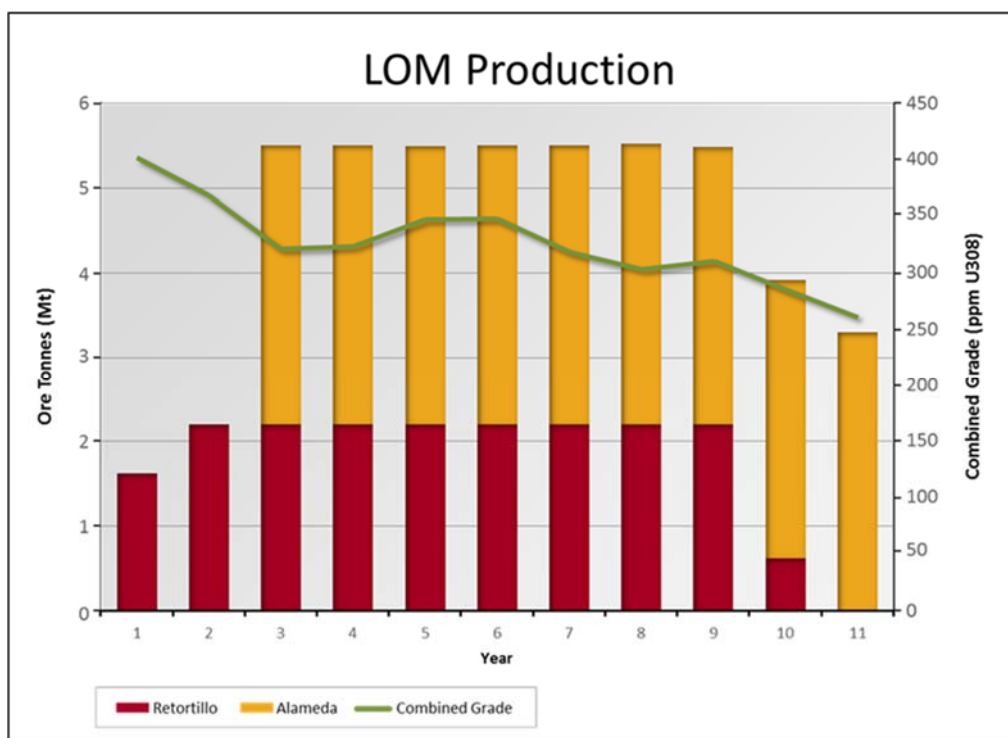


Figure 3: LOM Mine Production Schedule

Both owner operator and contractor mining scenarios were evaluated in the PFS with contractor mining being selected as the preferred option. The contractor will be responsible for mining fleet and mine support equipment supply and maintenance, site preparation (including removal of vegetation), haul road construction, excavation, haulage of ore to the ROM pad and waste to the designated waste dump, and oversize rock breakage.

The mining operations are based on the use of hydraulic excavators and a fleet of haul trucks engaged in conventional open pit mining techniques. Blast hole drilling will be carried out in fresh rock using diesel powered top-hammer rock drills, whilst the Tertiary cover and weathered materials will be loaded without blasting (free digging) or may be in need of light blasting in certain areas. Typical mining bench heights of six metres will be employed at both deposits. The excavators load the blasted/broken material into the trucks, with ore being hauled to the ROM pad and waste being hauled to the designated local waste dump. Haul roads will be built as required to provide access into new mine areas and their design will include a minimum 25 metre width, including berms and drainage areas.



The mining method will be 'transfer mining' which allows the open pits to be continuously backfilled whilst, minimising waste dump volumes and waste rehandling. It also facilitates continuous rehabilitation to minimise environmental impact.

A detailed review of the mining and backfilling schedules for Retortillo and Alameda was undertaken in the PFS. As a result, the preferred direction and sequencing of mining has been modified at both sites to ensure that mined out voids of sufficient size are available for early backfilling (approximately 19 months and 15.5 months after commencement of mining at Retortillo and Alameda respectively, including the time required to isolate and line the mined out area), thereby minimising materials handling, temporary storage and rehandling.

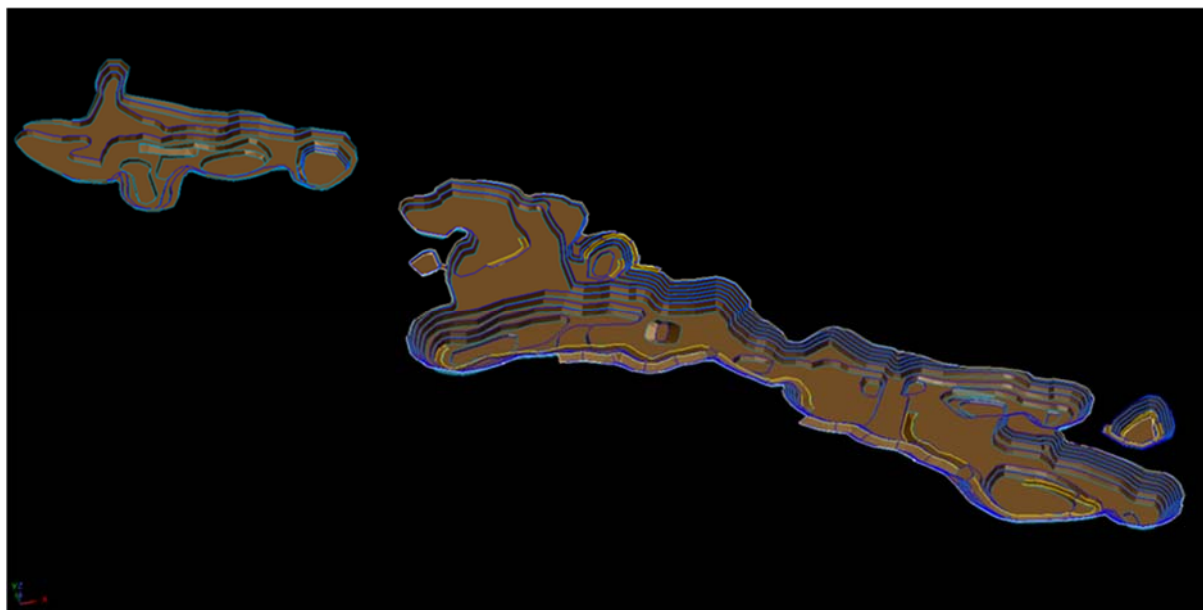


Figure 4: Final Pit Design - Retortillo

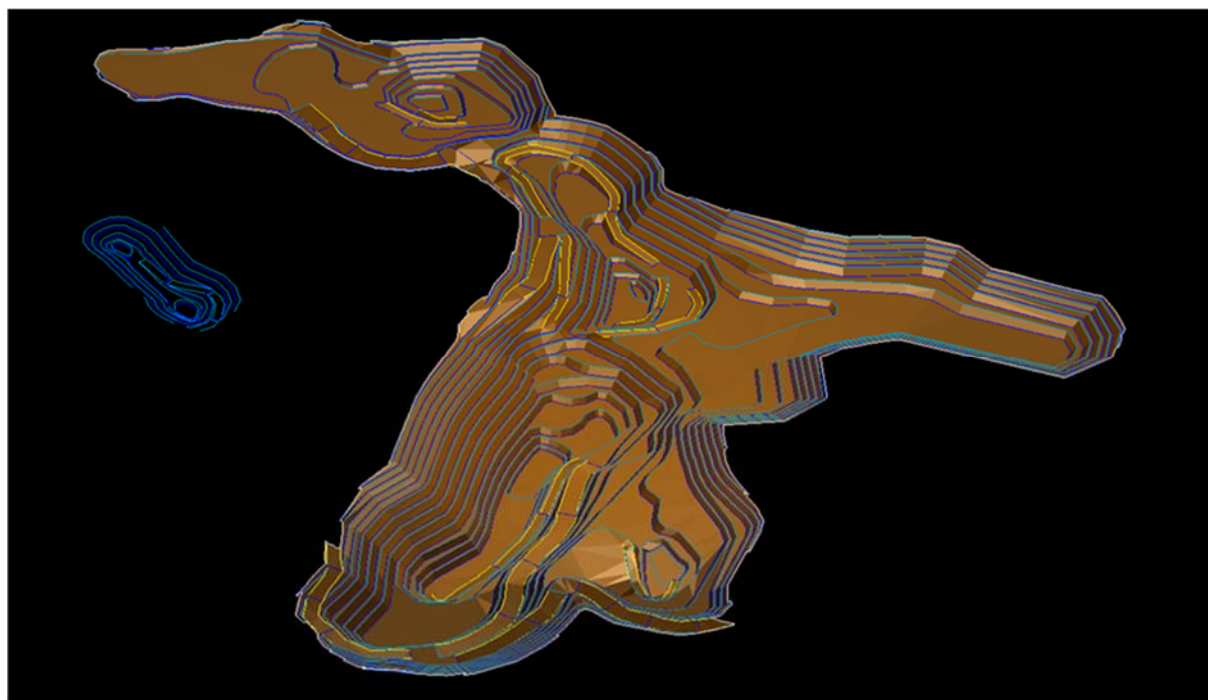


Figure 5: Final Pit Design - Alameda



Processing

Extensive metallurgical testwork has previously been carried out on an approximately 5 tonne representative sample of the Alameda deposit at the SGS laboratories in Perth (including tank leach and heap leach scenarios) and on a 5.5 tonne bulk sample, representative of the Retortillo deposit, at Mintek's mineral processing facility in Johannesburg (heap leach scenario).

Additional metallurgical testwork programs were conducted at Mintek and the Australian Nuclear Science and Technology Organisation ('ANSTO') facilities in Sydney as part of the PFS. The testwork program at Mintek was aimed at confirming the heap leach recovery for each phase of the respective mine schedules and testing ore variability with respect to geo-mechanical behaviour at both Retortillo and Alameda, as well as the determine the optimal heap leach feed size for Alameda. The ANSTO testwork program was designed to facilitate the selection of the optimal backend of the process with the performance of direct SX and ADU precipitation being compared with that of IX and UO_4 precipitation. For further details on the PFS metallurgical testwork programs refer to the Company's ASX June 2013 Quarterly Report.

The results of this comprehensive metallurgical testwork have been used to select the preferred process route and design the flowsheet.

The process flowsheet comprises crushing, screening, agglomeration, stacking and heap leaching using on-off leach pads, followed by uranium recovery and purification by SX, ADU precipitation and calcination at a centralised plant, located at Retortillo (Figure 6). Pregnant liquor solution ('PLS') from the heap leach process at Alameda will be passed through a IX adsorption columns, with the loaded resin trucked to the centralised plant for final extraction and purification.

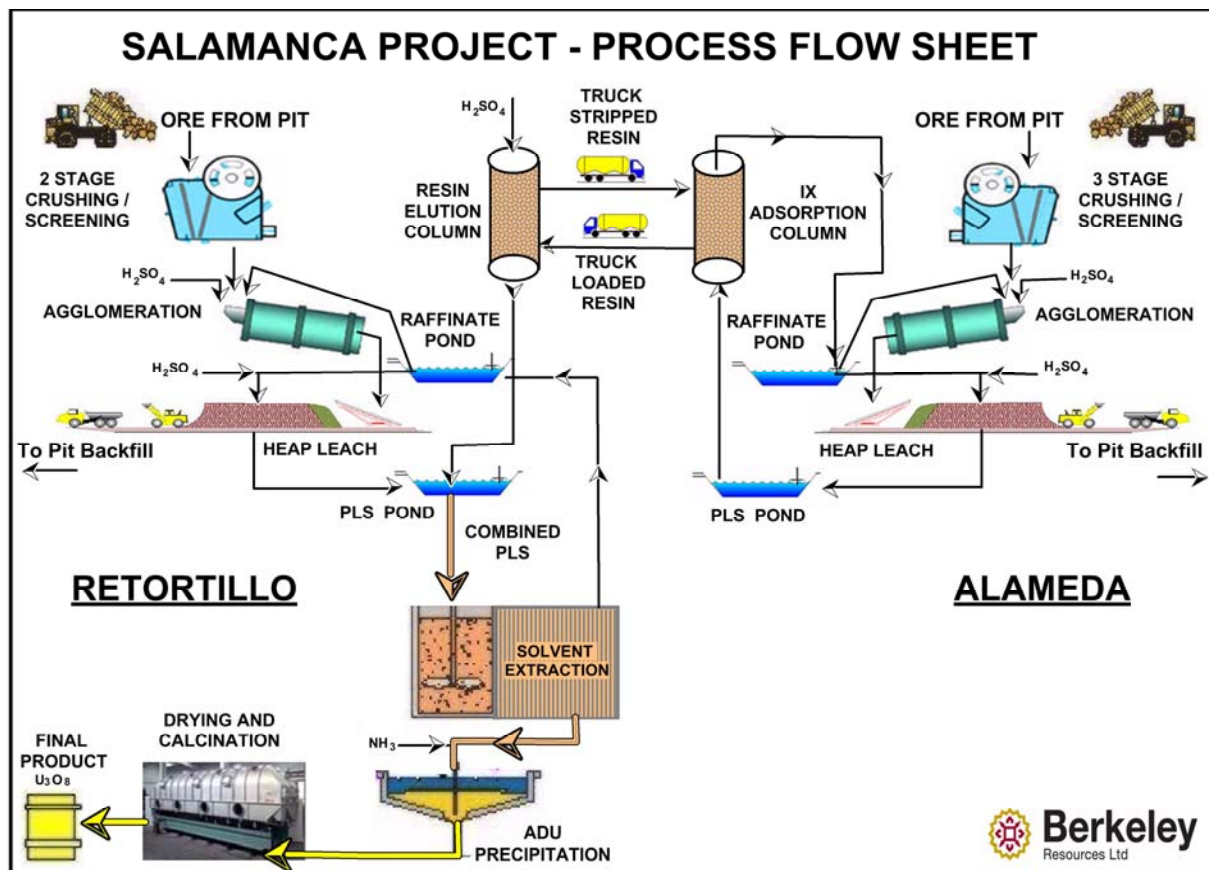


Figure 6: Process Flow Sheet

A heap leach versus tank leach trade-off study was completed, with heap leach technology being selected as the preferred leaching option due to the high efficiency shown during testwork. Testwork indicates high recoveries and good leach kinetics achieved at relatively coarse crush sizes of 40 mm for Retortillo and 12 mm for Alameda, significantly lower capital and operating costs, and important environmental benefits, including backfill of spent ore from the on-off heap leach pads ('ripios') into the mined pits, thus removing the requirement for a tailings storage facility.

Two stage crushing of ROM ore will be undertaken at Retortillo (target product size of 40 mm), while three stage crushing is required at Alameda to deliver the finer product (12 mm) required for optimum uranium recovery. Primary jaw crushers will be followed by cone crushers for the secondary and tertiary stages.

Crushed ore will be agglomerated before stacking by direct feed into a conventional drum where spray bars will dose the ore with raffinate and sulphuric acid. No polymer addition is required for effective agglomeration. The agglomerates are conveyed overland to the heap leach pad and then stacked with radial stackers.

The heap leach comprises an on-off pad subdivided into cells to define areas for stacking, leaching, rinsing/draining and reclaiming (Figure 7). This facility is complete with ponds for makeup water, barren, immediate and pregnant leach solutions, storm water and all associated pumping and reagent storage facilities. The pad design includes a triple insulation system including two high density polyethylene ('HDPE') sheets and a clay layer.

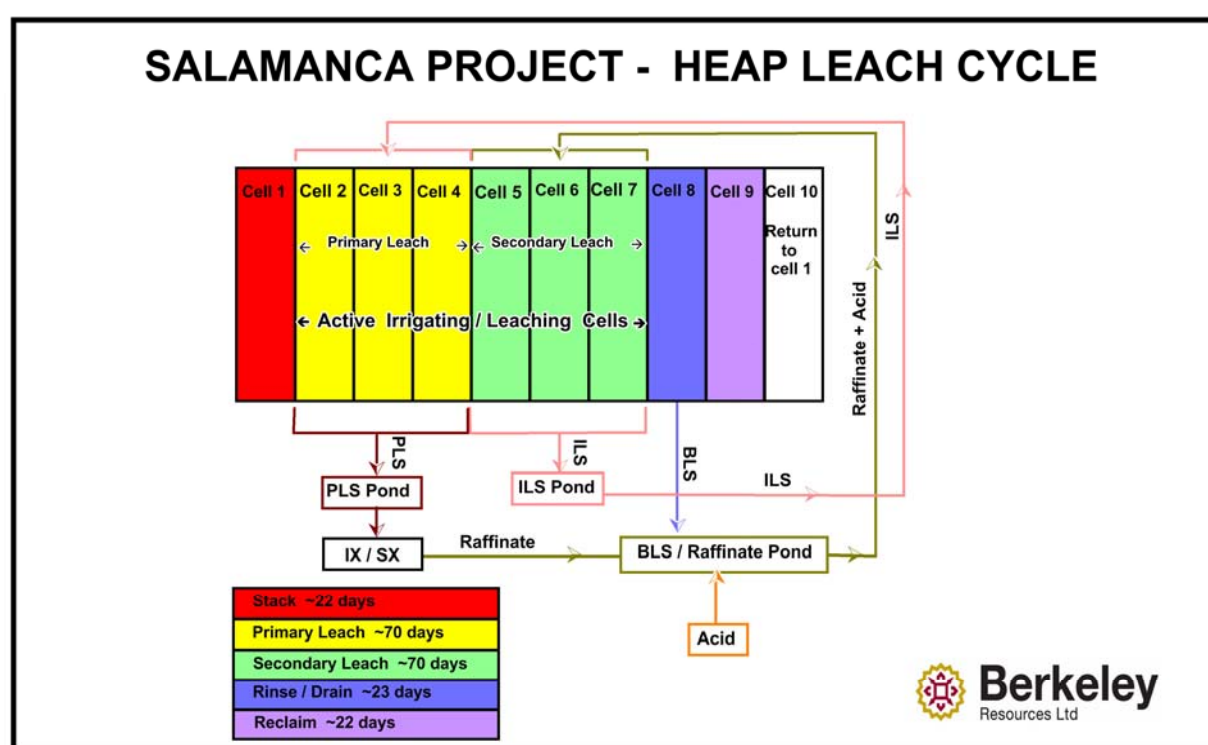


Figure 7: Heap Leach Cycle



The agglomerated material is stacked in 6 metre lifts and irrigated with diluted sulphuric acid solution (3 g/l) using drip emitters at a maximum rate of 6 litres/hour/metre². Testwork indicates a commercial leach cycle of 140 days. At Retortillo, the heap leach pad will measure 832 metres long by 260 metres wide at its base and the design comprises 13 cells in the first lift and 10 cells in the second lift resulting in a total capacity of 3.3 million tonnes. The Alameda heap leach pad will measure 475 metres long by 624 metres wide at its base and the design comprises 12 cells in the first lift and 10 cells in the second lift resulting in a total capacity of 5 million tonnes.

The ripios will be removed from the heap leach pad and backfilled into isolated and lined (clay layer and HDPE liner) areas within the mined pits on a continuous basis once mining has advanced sufficiently to accommodate this (approximately 19 months and 15.5 months after commencement of mining at Retortillo and Alameda respectively).

Acid consumption for the heap leach at both sites is 18 kg/t, inclusive of the addition of approximately 8 kg/t to 10 kg/t of acid in the agglomeration process. An opportunity to improve acid consumption by optimising the pH in which uranium can be dissolved (minimising the dissolution of other elements, principally iron) will be evaluated in the next phase of testwork. An external chemical oxidant is not required.

At Retortillo, the heap leach PLS will contain approximately 250-300 mg/l of U₃O₈ and feed directly into the SX facility. The Alameda heap leach PLS will be loaded onto resin in an IX adsorption column and the loaded resin transported a distance of approximately 50 kilometres by road to the centralised plant at Retortillo. The resin trucking operation will be undertaken by an authorised contractor with a fleet of two trucks making six return trips per day in total on a five day per week basis.

Once the resin has been stripped, the eluate containing uranium will be combined with the Retortillo PLS and fed into the SX plant for further processing. The SX facility will be designed with four extraction steps, two scrub steps and four stages of stripping to produce a raffinate of <5mg/l U₃O₈. Regenerated resin will be returned to Alameda for re-use.

The concentrated uranium solution from the SX plant is treated to precipitate the uranium using anhydrous ammonia. This solution is heated to a temperature of 30-40 degrees and ammonia is injected into the solution, raising the pH to around 7 and precipitating the uranium as ADU. The ADU slurry from the precipitation is pumped into a thickener for dewatering and the underflow dewatered further with centrifuges. The centrifuge cake is finally calcined at a temperature of 730 degrees to produce U₃O₈ which is drummed and prepared for shipping.

Analysis of the PLS during the testwork programs indicates that there are no impurities at levels that could adversely impact the quality of the yellowcake to be produced.

Annual production averages 3.3 million pounds of U₃O₈ during a minimum of seven years of steady state operation, and 2.7 million pounds of U₃O₈ over the entire eleven year mine life.

Infrastructure

The Project is favourably located with respect to existing infrastructure (Figure 8).

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



The total power requirements for the Project are low at an estimated 3.7 megawatts ('MW') of consumed power at Retortillo and 3.2 MW at Alameda. It will be supplied from the nearby Spanish National Distribution Grid at a cost of US\$0.10 per kilowatt hour, excluding capital, with connection requiring construction of a 22 kilometre 45 kilovolt ('kV') powerline at Retortillo and a 13 kilometre 45 kV powerline at Alameda. Installed power will be 5.8 MW at Retortillo and 5.4 MW at Alameda.

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. In general, the water balance at both sites changes from being negative during the initial years of production to positive for the remainder of the LOM 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 at Retortillo and Alameda prior to any required discharge.

Given the Project's proximity to the city of Salamanca (70 km to the northeast of Retortillo) and local towns and villages, on-site accommodation facilities are not required. An on-site sulphuric acid plant is also not required for the Project as sulphuric acid is readily available from two in-country sources at a cost of US\$124 per tonne delivered to site.



Figure 8: Project Infrastructure

Capital Costs

The initial capital cost for the mine, processing facilities and associated infrastructure for Retortillo is estimated at US\$95.1 million. This cost is inclusive of all infrastructure and indirect costs required to develop and commence production at Retortillo.

The capital cost for the mine, processing facilities and associated infrastructure for Alameda is estimated at US\$74.4 million. This cost, which will be incurred in the second year of production, includes all infrastructure and indirect costs required for the Project to achieve a steady state production profile averaging 3.3 million pounds of U_3O_8 per annum.



The indirect costs include the first fill of reagents, Engineering, Procurement and Construction Management ('ECPM') costs, Preliminary and General ('P&G') costs and a 15% contingency. No allowance has been made for the acquisition of mining fleet (included in operating costs), as mining will be outsourced to a specialist contractor.

Working capital, amounting to US\$23.8 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 2 and 3.

**Table 2 – Summary of Retortillo Capital Costs
(nominally ± 20% accuracy)**

Description	Cost (US\$m)
Mining:	
Mining Fleet (included in Opex)	0
Pre-Strip	8.6
Processing:	
ROM Pad	0.3
Crushing	6.6
Agglomeration	1.5
Heap Leach	13.4
Water Treatment Plant	1.8
SX	6.2
Refinery	7.7
Reagents and Utilities	4.7
Infrastructure:	
Buildings, internal roads etc.	2.7
Power Supply	8.0
Road Diversion	1.2
Temporary/Waste Dumps	3.2
Water Management Facilities	3.3
Land Acquisition	5.0
General and Administration ('G&A'):	2.2
Indirect Costs:	
First Fill and Spares	1.2
EPCM	5.6
Contingency	9.0
P&G	3.0
Total	95.1

**Table 3 – Summary of Alameda Capital Costs
(nominally ± 20% accuracy)**

Description	Cost (US\$m)
Mining:	
Mining Fleet (included in Opex)	0
Pre-Strip	5.1
Processing:	
ROM Pad	0.6
Crushing	7.4
Agglomeration	1.6
Heap Leach	13.5
Water Treatment Plant	1.3
IX	5.5
Reagents and Utilities	2.2
Infrastructure:	
Buildings, internal roads etc.	2.4
Power Supply	6.0
Road Diversion	0.6
Temporary/Waste Dumps	4.5
Water Management Facilities	3.6
Land Acquisition	3.9
G&A: (included in Opex)	0
Indirect Costs:	
First Fill and Spares	1.9
EPCM	4.7
Contingency	7.2
P&G	2.3
Total	74.4

Note: Apparent differences in Totals occur due to rounding

An additional US\$18.7 million of capital is required to develop a second major pit at Retortillo in the seventh year of production. This capital cost includes a primary crushing facility, a 2.7 kilometre overland conveyor to the main process plant, associated infrastructure and indirect costs.



Operating Costs

The average LOM operating cost has been estimated at US\$24.60 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.

Operating costs were estimated in conjunction with the PFS process design criteria, block flow diagram, mechanical equipment lists, metallurgical testwork results to determine reagent consumptions, in-country labour rates, in-country reagent (including sulphuric acid) and fuel supply prices, National distribution grid power rates and quoted local mining contractor rates.

Key operating cost data is summarised in Table 4.

Table 4 - Summary of LOM Operating Costs (nominally ± 20% accuracy)

Description	Cost (US\$/lb U ₃ O ₈)	
	Retortillo	Alameda
Mining	14.50	9.76
Processing (including ripios backfill)	12.80	10.41
G&A	2.03	1.56
Subtotal by Area	29.33	21.73
Total Operating Costs	24.60	

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\$1.75 per pound U₃O₈ produced over the LOM. 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% and only applicable to Alameda production), Municipality Royalty (0.2%) and an Anglo Pacific Royalty (1.0%).

Waste Management and Rehabilitation

Waste has been characterised and classified into four types:

- Oxide waste ('inert waste') - an inert waste that can be handled as a typical mining waste;
- Acid Rock Drainage ('ARD') - potential acid generator due to a marginal sulphide content;
- Natural Occurring Radioactive Materials ('NORM') - rock containing very low residual uranium below the mining cut-off grade; and
- Ripios - spent ore from the dynamic on-off heap leach pads which can be considered equivalent to ARD and/or NORM waste due to its similar physical and chemical characteristics.

As noted earlier, open pit mining will be undertaken using the transfer mining method to allow continuous backfilling of the pits with waste, thus minimising waste dump volumes and waste rehandling, whilst also allowing for a continuous rehabilitation program that minimises the environmental impact.

Ripios will be stored on the heap leach pads during the initial approximately 18 months of production and subsequently backfilled into isolated and lined (clay layer and HDPE liner) areas within the mined pits on a continuous basis once sufficient space is available.

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.



ARD and NORM waste will be placed onto temporary dumps designed with the required isolation system (clay layer and HDPE liner) until the waste is backfilled into the mined pits towards the end of the mine life. At the end of the mine life, the entire volume of ripios, ARD and NORM waste will be fully encapsulated within the mined pits, and the surface rehabilitated as per the existing profile and vegetation.

The costs associated with the continuous rehabilitation programs (excluding ripios backfilling which is included in the operating cost estimate) are estimated at US\$16.8 million for Retortillo and US\$20.8 million for Alameda. These capital costs, which are incurred from the second year of mining through to the end of the mine life at each site, are reasonably evenly distributed on an annual basis. In addition, final rehabilitation and closure costs, which include waste rehandling, pit encapsulation and re-vegetation and are incurred after the completion of mining at each site, are estimated at US\$45.0 million for Retortillo and US\$53.5 million for Alameda. Post closure surveillance costs are estimated at US\$2.5 million for each site.

Community and Employment

Berkeley 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 this strategy, the Company has already signed co-operation agreements with the three municipalities proximal to Retortillo. These agreements are an important step in progressing through the permitting phase to production. As part of the agreements, the municipalities undertake to actively and promptly contribute throughout the necessary administrative procedures required for the Project to achieve both licensing and permitting. Berkeley in turn commits 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. There is over thirty years of uranium mining experience within the region that hosts the Project.

The Company currently estimates that an ongoing workforce of approximately 240 direct employees (excluding mining and other permanent contractors) will be required across both Retortillo and Alameda during steady state operations.

Permitting

The Company currently holds an Investigation Permit for Retortillo (denominated Pedreras No. 6.605-10) while Alameda is located within the Salamanca 28 State Mining Definitive Reserve (No. 6362).

The permitting of Retortillo and Alameda are independent processes, with the process for Retortillo already well advanced.

At Retortillo, a 30 day Public Information Period ('PIP') was completed in September 2012. Core documents submitted as part of the PIP included the Exploitation Plan, Reclamation and Closure Plan, Environmental and Social Impact Assessment ('EIA'), Initial Authorisation of the Process Plant as a Radioactive Facility, and Exceptional Authorisation for Land Use (application for reclassification from rural to mining use). The Company prepared responses to public comments received and, following review and evaluation by the relevant authorities, additional mitigation measures were incorporated into the core documents prior to the Project advancing to the next phase of the environmental and mining approvals process.



The Environmental Technical and Executive Committees of the Regional Government subsequently reviewed the Company's EIA and associated documentation and provided a favourable recommendation report. The administrative process relating to the Declaration of Environmental Impact (Environmental Licence) is now in its final stages, with only the formal approval of the Minister of Environment of the Regional Government and subsequent release in the Official Gazette pending. The Declaration of Environmental Impact, along with the compulsory recommendation report from the Nuclear Safety Council ('NSC') and the approval of Company's Exploitation and Reclamation and Closure Plans, are prerequisites for the granting of the Exploitation Concession (Mining Licence). A granted Exploitation Concession is valid for a period of 30 years, renewable for two consecutive periods of 30 years i.e. 90 years in total.

Following its review of the Company's plans for exploitation, reclamation and closure, the NSC submitted a favourable recommendation report regarding the granting of the Exploitation Concession to the Ministry of Economy and Employment of the Regional Government in August 2013.

Regarding the Initial Authorisation of the Process Plant as a Radioactive Facility, the NSC has communicated that its recommendation report will be issued to the Ministry of Industry, Commerce and Tourism of the Central Government, once the Exploitation Concession has been granted.

The Exceptional Authorisation for Land Use (application for reclassification from rural to industrial use) of the affected surface land area at Retortillo has been approved by the relevant authorities at the Urban and Town Planning Department of Salamanca, subject to the issuance of the Environmental Licence.

Ancillary permits, such as those associated with water capture and discharge and road deviations, are also currently being advanced. The applications have been submitted and discussions have been held with the relevant authorities (including the Water Authority and Roads Department).

The permitting process for Alameda will follow the same procedure as for Retortillo however, reporting to Central Administration instead of Regional Government. The process commenced in late 2012 with the submission to the regulatory authorities of the Environmental Scoping Document and documentation associated with the Exceptional Authorisation for Land Use.

Definitive Feasibility Study ('DFS')

A technical review of all aspects of the PFS and the opportunities identified to further enhance the Project economics through capital and operating cost reductions will be undertaken by the Company prior to the award of the DFS. Key workstreams identified as part of the technical review will then be incorporated into the final scope of the DFS which is anticipated to be awarded by the end of 2013 and completed by the end of 2014.

During the DFS phase, the Company will focus on evaluating further opportunities to reduce capital, maximise operating margins and mitigate risk, including:

- Resource infill drilling programs aimed at upgrading the classification of specific portions of the current Retortillo and Alameda MRE's to the Measured category, as well as supplying additional samples for metallurgical testwork;
- Further metallurgical testwork programs, including additional column leach work, in combination with IX at Alameda and SX-ADU precipitation at Retortillo to generate more detailed information relating to the pH and acid consumption optimisation, design and sizing of the IX and SX units, and final product specification;
- Development of a Geo-Met model which will incorporate additional geological and metallurgical parameters into the resource block model to support metallurgical process modelling and mine planning and optimisation;



- Undertaking engineering studies to support capital and operating cost estimates for the Project to a level of accuracy of nominally $\pm 10\%$; and
- Undertaking an evaluation of the various alternatives for funding the development of the Project and the sale of future uranium production (including uranium marketing and off-take arrangements).

Study Consultants

The PFS has been managed by SENET of South Africa and completed by a number of industry recognised consultants engaged by the Company.

Table 5 – PFS Consultants

Consultant	Activity
SENET	Study Management, Process Plant, Infrastructure, Capital and Operating Costs
SRK	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	Ripios Material Flow Characterisation
FRASA/INGEMISA	Hydrogeology
URS	Environmental Management, Radiological Protection and Permitting
Iberdrola	Radiological Protection
Duro Felguera	In-country Project Cost Estimation
March JLT	Insurance Cost Estimation

Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Craig Gwatkin, who is a Member of The Australian Institute of Mining and Metallurgy and is an employee of Berkeley Resources Limited. 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 this Report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the Pre-Feasibility Study is based on information compiled by Neil Senior of SENET (Pty) Ltd. Mr. Senior is a Fellow of The South African Institute of Mining and Metallurgy and 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. Senior consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

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.



Appendix 1: Technical Details - Retortillo MRE (Sept 2013)

Sampling Techniques and Data:

Criteria	Explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	The Retortillo deposit was sampled using Diamond Drill (DD), Open Hole (OH) and Reverse Circulation (RC) holes on a spacing varying between 50m x 50m and 35m x35m. A total of 393 DD, 57 OH and 569 RC holes for 68,727m were drilled. Most holes were vertical.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Berkeley drill hole collar locations were surveyed by a qualified surveyor using standard differential GPS (DGPS) equipment achieving sub decimetre accuracy in horizontal and vertical position. Further validation of the vertical position was undertaken through the use of government supplied topographic surface. Down-hole surveys were undertaken using a Geovista down-hole deviation probe. Measurements are taken 1cm down hole and averaged every 10m. No strongly magnetic rocks are present within the deposit which may affect magnetic based readings. The historic drilling was not surveyed but verification of drill holes that could be located showed no significant errors. All historic drilling was vertical and based on recent drilling no significant deviation is expected. Berkeley has used standards and blanks inserted into sample batches to assess the accuracy, precision and methodology of the external laboratories used. In addition duplicate samples were inserted to assess the variability of the uranium mineralisation. 15-20% of all assays are related to quality assurance (QA) checks. In addition the laboratories utilised undertook their own duplicate sampling as part of their own internal QA processes. Examination of the QA/QC sample data indicates satisfactory performance of field sampling protocols and assay laboratories providing acceptable levels of precision and accuracy. No data is available from the historic drilling as to what QAQC methods were utilised. Recent drilling of twinned holes showed good correlation of mineralised intervals.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	RC samples were collected on 1m intervals and split using either a riffle splitter or cone and quarter method to provide an approximate 1kg sample. Field tests show that both methods produce representative samples. DD holes of NQ, HQ and PQ diameter were completed. Whole core, half core or quarter core sampling on intervals of 0.2m, 0.25m or 1m of the DD was undertaken. Residual core from Berkeley drilling has been preserved onsite. Historical drill core is not available. Berkeley submitted all samples to an external laboratory for preparation and analysis. Samples were dried, crushed and pulverised to get 85% of the sample passing a 75µm sieve. Analysis has been done by either Delayed Neutron Counting (DNC) or pressed powder XRF for uranium. The majority of samples were sent to the ALS Chemex in Seville where sample preparation is completed and the final assay is completed at the ALS Chemex Vancouver laboratory. Some samples were sent to Actlabs Canada for DNC analysis. Historic drill assays for uranium were completed using internal company laboratories using AAS, XRF or fluorometric methods.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	The historic drilling accounts for 30% of the drilling completed and was predominantly (81%) DD and the remainder OH drilling. RC drilling using a 140mm diameter face sampling hammer accounts for 50% of drill metres with most holes less than 100m in depth. DD (NQ, HQ and PQ) accounts for 43% of drill metres drilling and OH drilling 7%. For angled DD oriented core was achieved using a plasticine method.



Criteria	Explanation	Commentary
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Diamond core recovery was logged and recorded for most DD holes. Minor core loss may be experienced in the near surface completely weathered zone or tertiary cover but the overall drill core recovery typically exceeds 90%. OH drilling was not sampled and chips were only logged for geology and down-hole gamma. RC drill samples are collected on 1m intervals through a cyclone. Individual sample bags are not weighed to assess sample recovery but a visual inspection is made by the company geologist to ensure all samples were of approximately equivalent size.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	The RC drilling rigs utilised suitably sized compressors to ensure dry samples where possible. All sample intervals with a positive gamma response and zones up to 5m above and below were assayed.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	The core and RC sample recoveries are of an acceptable level and no bias is expected from sample losses.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Berkeley DD core have been logged for lithology, weathering, structure, mineral occurrences, RQD, fracture orientation, alteration and density. Scintillometer readings are taken every 1m and more closely in areas of mineralisation. Berkeley RC chips have been logged for lithology, weathering, mineral occurrences and alteration. A scintillometer reading is recorded for each 1m sample. Historic drill holes have been logged for lithology, veining, fractures, oxidation, alteration, colour and mineral occurrences. Scintillometer readings were taken every 50cm on drill core.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Logging is qualitative in nature with the exception of density and gamma. This is appropriate for Mineral Resource Estimation (MRE) and mining and metallurgical studies of a pre-feasibility level. Core and RC chip trays have been photographed prior to sampling.
	<i>The total length and percentage of the relevant intersections logged.</i>	All DD, OH and RC holes have been logged in full.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	For the historic DD, whole core samples were used while for the Berkeley DD core was cut to achieve either half or quarter core samples.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	RC intervals have been sampled by splitting dry samples in the field to 3-5kg and further in the core shed to 0.7-1kg using a either a riffle splitter or a cone and quarter method. Where samples are wet they have been dried prior to spitting or have been quartered wet.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	All Berkeley samples were sent to an external laboratory for preparation and analysis. Samples were dried, crushed and pulverised to get 85% of the sample passing a 75µm sieve to provide sample for analysis.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field tests found that the size of sample chosen and the different methods of sampling produce representative RC samples. Berkeley sample batches were prepared with standards and blanks inserted at a frequency of between 15 and 20%.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Duplicate splits of RC samples were taken every 10m down hole. These showed acceptable variation and repeatability.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The uranium is typically very fine grained. Testwork carried out of different sample sizes has shown that the selected sample size gives a representative sample.
Quality of assay data & lab tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Berkeley has assayed samples for U by DNC but now routinely uses pressed powder XRF. These analytical methods report total U. Historic drill assays for uranium were completed using internal company laboratories using AAS, XRF or fluorometric methods. There is no QAQC data available for this historic data.



Criteria	Explanation	Commentary
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Down-hole gamma logging has been completed on most drill holes and e-grade data (eU_3O_8) produced. The down-hole gamma response was converted eU_3O_8 by correcting for radon, hole diameter, air/water and a deconvolution filter was also applied. A comparison of the eU_3O_8 intersections to assay data shows that overall the e-grades tend to slightly underestimate the chemical assays.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Berkeley regularly inserts standards prepared from previous sample pulps, blanks and duplicates into the sample preparation and analysis process with approximately 15-20% of all samples being related to quality control. The laboratories utilised also maintain their own process of QA/QC utilising standards, repeats and duplicates. Review of the company's quality control samples as well as the laboratories QAQC has shown no sample preparation issues, acceptable levels of accuracy and precision and no bias to the analytical datasets.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Reported significant intervals were reviewed and checked by geological management.
	<i>The use of twinned holes.</i>	RC drilling was completed to twin historic DD holes. The results show good correlation of grade x thickness between the twinned holes.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All primary data is recorded to paper forms designed by the Company. Data is entered into controlled excel templates with validation. The data then validated and loaded into a password secured structured relational database by a designated company geologist. Daily backups of all digital data are undertaken by the company. These procedures are documented within Berkeley's geological procedures manual.
	<i>Discuss any adjustment to assay data.</i>	U (ppm) assays received from the laboratories are converted to U_3O_8 (ppm) in the database using the stoichiometric factor of 1.179.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Berkeley drill hole collar locations were surveyed by a qualified surveyor using standard differential GPS (DGPS) equipment achieving sub decimetre accuracy in horizontal and vertical position. Further validation of the vertical position was undertaken through the use of government supplied topographic surface. Down-hole surveys were undertaken using a Geovista down-hole deviation probe. Measurements are taken 1cm down hole and averaged every 10m. No strongly magnetic rocks are present within the deposit which may affect magnetic based readings. The historic drilling was not surveyed but verification of drill holes that could be located showed no significant errors. All historic drilling was vertical and based on recent drilling no significant deviation is expected.
	<i>Specification of the grid system used.</i>	Co-ordinates are based on UTM Grid ED1950 Zone 29N.
	<i>Quality and adequacy of topographic control.</i>	Topographic control for all drill holes is based on data sourced from the Spanish government and is verified through detailed drill hole surveys by a qualified surveyor.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Results reported and incorporated into the MRE range from a 35m by 35m spacing to a 50m by 50m spacing for much of the resource area. Beyond this drilling is wider spaced and more variable.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Data spacing provides sufficient spatial detail to establish geological and grade continuity to allow Inferred and Indicated Mineral Resources to be estimated.
	<i>Whether sample compositing has been applied.</i>	No compositing of intervals in the field have been undertaken. Sample composites of 1m length were defined for the MRE.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type</i>	The general strike of the mineralisation is northwest with structures dominantly striking in two common directions – approximately northeast and northwest with dips of 50 to 80°. Despite this the vein/stockwork style mineralised zone is interpreted to be flat lying.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Most drill holes are vertical but are considered to achieve an unbiased sample of the mineralisation. No difference in assay results has been observed between angled holes and vertical holes.



Criteria	Explanation	Commentary
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of custody is managed by Berkeley. Samples are transported from the drill site by company vehicle to a sample preparation shed where samples are prepared for dispatch. Samples are sent directly from site to the laboratory using a transport company that is registered to handle radioactive freight. No other freight is transported with the samples which are taken directly from the Berkeley office to the laboratory. Sample submission forms are sent in paper form with the samples as well as electronically to the laboratory. Reconciliation of samples occurs prior to commencement of sample preparation of dispatches.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	All QA/QC data is reviewed in an ongoing basis. SRK and M Tittley (Geology Consultant) have independently reviewed the sampling process and data. Both have undertaken site visit to review and inspect the application of procedures. These external reviews have concluded that the sampling and analytical results have resulted in data suitable for incorporation into the MRE.

Reporting of Exploration Results:

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Retortillo resource lies on the Pedreras Investigation Permit PI 6605-10 which is owned by Berkeley Minera España S.A., a wholly owned subsidiary of Berkeley Resources Limited. This tenement is currently in its first year of its third three year term and will expire on 9 January 2016. An Exploitation Concession has been applied for and awaits approval. No historical sites, wilderness or national parks are located within the area of the resource.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	Tenure is considered secure. There are no known impediments to the granting of the Exploitation Concession application.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Previous exploration, which defined a resource at Retortillo, was completed initially by Junta de Energía Nuclear (JEN) and then Empresa Nacional de Uranio (ENUSA), both Spanish state run companies from the 1960's until the mid-1980's. Work completed by JEN and ENUSA included mapping, radiometric surveys, trenching and DD and OH drilling. A detailed data assessment and verification of the historic data supplied by ENUSA has been undertaken. No significant issues with the data were detected.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The uranium mineralisation is hosted within Ordovician metasediment adjacent to granite. The mineralisation typically occurs as a sub-horizontal layer occurring between surface and 90m depth. The style of the uranium mineralisation includes veins, stockwork and disseminated mineralisation in joint/fracture filling associated with brittle deformation. Uraninite and coffinite are the primary uranium minerals. Secondary uranium mineralisation is developed in "supergene-like" tabular zones corresponding to the depth of weathering. Most of the mineralisation is hosted within partially weathered metasediment. This deposit falls into the category defined by the International Atomic Energy Association (IAEA) as Vein Type, Sub Type Iberian Type.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i>	No new exploration results are included in this announcement.



Criteria	Explanation	Commentary
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	All mineralised and non-mineralised Berkeley drill holes within the resource area have previously been reported in announcements to the ASX providing collar easting, northing, elevation, dip, azimuth and length of hole and mineralised intercepts as encountered.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No new exploration results are included in this announcement. All mineralised and non-mineralised Berkeley drill holes within the resource area have previously been reported. All results are for uranium assay only and no metal equivalent values are calculated.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	Most holes have been drilled vertically. No difference in grades is observed between vertical holes and angled holes. The mineralised envelope is interpreted to be flat lying. Therefore reported intervals from vertical drill holes approximate true widths.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Appropriate diagrams in relation to the deposit, including plans and cross sections, accompany previous exploration results announcements.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All mineralised and non-mineralised Berkeley drill holes within the resource area have been previously reported.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	The Company has reported the results of a Scoping Study for the Salamanca Project which includes the Retortillo deposit (refer ASX Announcement dated 29 November 2012). The Scoping Study included preliminary hydrogeological, geotechnical, environmental impact assessments, mining, metallurgical and process engineering studies.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Further work at Retortillo will include additional infill drilling that will be focused on further improving the confidence in the resource estimate. Ongoing geological studies include detailed interpretation of lithology, structure and weathering and assessment of potential relationships between these factors and uranium grade.

Estimation and Reporting of Mineral Resources:

Criteria	Explanation	Commentary
Database integrity	<i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i> <i>Data validation procedures used.</i>	Digital Excel templates with lookup tables and fixed formatting are used for logging and sampling data. Data transfer between laboratories and Berkeley is electronic in nature. Digital versions of all data entry is reviewed and validated by a designated geologist. Data is imported into a password secured relational database with keyed lookup values and acceptable data ranges. Data is then validated for overlapping ranges or incongruent data by visual plotting and inspection.



Criteria	Explanation	Commentary
Site visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i>	Craig Gwatkin, Exploration Manager for Berkeley Resources is based in Spain and directly manages all drilling, data assessment and MRE's.
	<i>If no site visits have been undertaken indicate why this is the case.</i>	External consultants have reviewed the procedures used and no issues were identified and all procedures were considered to be of acceptable standards.
Geological interpretation	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>	The broad interpretation of the Retortillo deposit shows some similarities observed at the Mina Fe mine which produced uranium between 1974 and 2000. The confidence of the geological interpretation is appropriate to the resource category defined.
	<i>Nature of the data used and of any assumptions made.</i>	The MRE incorporates constraining envelopes which enclose all significant mineralised intersections. No observed lithological boundaries are seen to influence the distribution of uranium; therefore, no lithological constraints are used in the estimation process.
	<i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i>	
	<i>The use of geology in guiding and controlling Mineral Resource estimation.</i>	Domaining of the deposit was undertaken to create wireframes around the mineralised intercepts taking into account geology and structure where possible and where the uranium grade showed continuity along and across strike.
	<i>The factors affecting continuity both of grade and geology.</i>	The deposit shows an overall northwest trend approximately parallel to the stratigraphy. On the deposit scale the uranium grade is controlled by both lithology and structure while on a small local scale the grade thickness trends are interpreted to be controlled by structure.
Dimensions	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>	The Retortillo deposit occurs in two main zones one which covers an area of 3km by 0.6km while the second is narrower and covers an area of 3km by 0.2km. The mineralised zones occur between surface and up to approximately 90m depth.
Estimation and modelling techniques	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i>	The method of Ordinary Kriging (OK) was used to estimate uranium. OK of uranium grades use variography based on the resource composite sample grades within distinct mineralised domains defined by wireframes. Within each domain the uranium grade continuity was tested by variograms and parameters defined to undertake the estimation. OK was used as the preferred method for estimation of uranium at Retortillo as the approach has been demonstrated to work well in a large number of deposits of diverse geological styles. Data viewing, compositing and wireframing were performed using Surpac software. Exploratory data analysis, variogram calculation and modelling, and MRE have been undertaken by company geologists. The assay data were composited to 1m down hole intervals using Surpac. A composite length of 1m was chosen as it is the most common sampling interval and would be either a third or a sixth of the height of potential open pit mining bench height (either 3.0 or 6.0m).
	<i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i>	The previous MRE on the Retortillo deposit was reported in July 2012. An external independent review was undertaken on the MRE reported in July 2012. This review concluded that the estimate was reliable. The current estimate is an update to the July 2012 estimate. No previous mining has occurred at Retortillo therefore the current resource estimate has not been reconciled to production.
	<i>The assumptions made regarding recovery of by-products.</i>	The resource model only estimates uranium.
	<i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i>	There are no deleterious or other non-grade variables identified as being significant at Retortillo.
	<i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i>	Block dimension is 10mE by 10mN by 3mRL and chosen due to this dimension approximates the potential selective mining unit. A two pass search strategy was employed to locate samples for use in block estimation. Pass one use an ellipse with x, y and z dimension of 30m by 15m by 6m, respectively, oriented horizontally towards 120°. Pass two uses an expanded the search by double the lengths. Minimum number of samples used in pass 1 was 10, reduced to 4 for the second pass.



Criteria	Explanation	Commentary
	<i>Any assumptions behind modelling of selective mining units.</i>	The block size was chosen to match the potential selective mining unit to be used in open cut mining.
	<i>Any assumptions about correlation between variables.</i>	Uranium is the only economic metal estimated in the current model.
	<i>Description of how the geological interpretation was used to control the resource estimates.</i>	Mineralised domain wireframes encompass all zones of significant mineralisation and are used to flag resource composites and code domain proportions to the block model. A further division of the model into completely weathered, partially weathered and unweathered rock is applied by triangulated surfaces interpreted from the logging of the drill samples. This division is only applied for density purposes.
	<i>Discussion of basis for using or not using grade cutting or capping.</i>	Statistical analysis showed the uranium population in each domain to be highly positively skewed and generally having moderate coefficient of variation. Each domain was assessed separately and a top cut grade was determined for each domain to reduce the influence of extreme composite grades on the model uranium estimates.
	<i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	Visual validation of grade trends and uranium distributions was carried out along with the generation of north, east and elevation swath plots comparing average model uranium estimates with drill hole assay averages.
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	The resource tonnage is reported on a dry bulk density basis.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	The grade estimate is based on mineralisation constraints which are designed to capture all anomalous mineralisation. The model is considered valid for reporting and open pit mine planning. The MRE has been reported using a 200ppm U ₃ O ₈ cut-off grade.
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	Mining method for the extraction of uranium at Retortillo is to be by open pit mining, excavating benches of 3m or 6m in height. Grade control of ore blocking will be based on gamma probing of blast holes to determine e-grades with check sampling. RC drilling may also be undertaken to improve grade control and mine planning if required.
Metallurgical factors or assumptions	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	Berkeley has completed a number of metallurgical testwork programs as part of the Scoping Study and PFS. The testwork results confirm that the ore at Retortillo exhibits metallurgical characteristics that are amenable to a conventional acid heap leach. The positive results of the Scoping Study clearly indicate the Mineral Resources have reasonable prospects for eventual economic extraction (refer ASX Announcement dated 29 November 2012).
Environmental factors or assumptions	<i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i>	Waste and process residue disposal options have been assessed and it is planned that all spent heap leach (ripios) material will be returned to the open pit which will be lined so as to encapsulate the ripios. Any Naturally Occurring Radioactive Material (NORM) or Acid Rock Drainage (ARD) waste will also be stored within the lined pit. An Environmental Licence has been applied for and awaits approval.



Criteria	Explanation	Commentary
Bulk density	<i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i>	The bulk density values were derived from 2,321 measurements taken on core by Berkeley field staff using the weight-in-air, weight-in-water method on air-dried DD core (Archimedes method).
	<i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.</i>	There is variation of the bulk density depending on the degree of weathering and the results from the method of determination used reflect this. Analysis by weathering zone showed that the median was slightly higher than the average for each population.
	<i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i>	The density measurements have been classified by the zone of weathering, defined by the geological logging. Three dominant zones are identified – completely weathered, partially weathered and unweathered. The average of the density data from each zone was applied in the resource model.
Classification	<i>The basis for the classification of the Mineral Resources into varying confidence categories.</i>	The uranium estimates within each block have been classified with consideration of the quality and reliability of the raw data, the confidence of the geological interpretation, the number and spacing of intercepts through the mineralised zones and knowledge of grade continuity gained from observation and geostatistical analysis.
	<i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i>	For the Retortillo deposit where the drill spacing was 50m by 50m or less the resource has been classified into the Indicated Resource category. Small areas, where the drill spacing is greater than 50m x 50m remain classified in the Inferred Resource category.
	<i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	The reported MRE and its classification into the Indicated and Inferred categories is consistent with the Competent Person's view of the deposit.
Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	An external review was undertaken by SRK on the MRE reported in July 2012. The review concluded that the estimate was considered to reflect the understanding of the geology and grade continuity. M Titley, Consultant Geologist, reviewed the current MRE and concluded that the estimate appropriately represents the grade and tonnage distribution of uranium mineralisation at confidence levels commensurate with the current resource classification.
Discussion of relative accuracy/ confidence	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i>	The relative accuracy of the MRE is reflected in the reporting of Indicated and Inferred Resources.
	<i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i>	This resource estimate relates to global estimates of tonnes and grade.
	<i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	No production data is available.