

NEWS RELEASE | 30 July 2020

Quarterly Report June 2020

Summary:

- **Permitting Update:**

The Company's focus continues to be on progressing the approvals required to commence construction of the Salamanca mine and bring it into production.

The Company continued to engage with the relevant authorities in a collaborative manner to facilitate the timely resolution of the pending approvals required to commence construction of the mine.

The Company's Spanish executives and advisors have met and continued to have constructive dialogue with officials from the Nuclear Safety Council ("NSC"), the Federal Government, the Regional Government of Castilla y León and the Municipality of Retortillo, as well as other key stakeholders, during the quarter.

In late March, the Company formally submitted the updated official documentation in relation to the Authorisation for Construction ("NSC II") to the NSC. During the quarter, the Company held a number of teleconference meetings with the NSC technical team to discuss and clarify minor queries on the updated documentation. The Company also provided written responses and/or additional technical information to the NSC when requested. The next step in the process is for the NSC technical team to finalise its report and submit it to the NSC Board for ratification.

In late July, the NSC issued a favourable report for the extension of the validity of the Initial Authorisation ("NSC I"). NSC I was granted in September 2015, with a 5-year validity period. The next step is for the Ministry for Ecological Transition and the Demographic Challenge ("MITECO") to approve this authorisation and set its duration period.

With regard to the Urbanism Licence ("UL"), the Ministry of Environment and Development of the Regional Government of Castilla y León informed the Municipality of Retortillo and the Company in March that the previously granted Authorisation of the Exceptional Land Use, a prerequisite for the award of the UL, remains fully valid and enforceable. This resolution allows the Municipality of Retortillo to advance the processing of the Company's UL application. The Company has met with the relevant officials of the Municipality of Retortillo during the quarter to ensure that they have all the required information to be able to award the UL.

- **Uranium Market:**

During the quarter, the uranium spot price rose to a high of US\$33.40 per pound and currently stands at US\$32.20 per pound which represents a year to date price increase of ~30%.

Uncertainty surrounding COVID-19 impacts to the nuclear fuel supply chain continued, with supply disruptions being experienced by a number of major uranium producers including Kazatomprom (Kazakhstan operations), Cameco (Cigar Lake mine), CNNC (Rössing mine) and Swakop Uranium (Husab mine).

Analysts expect further tightening of market conditions as the current structural supply deficit in the global uranium market is exacerbated by these, and possible other, COVID-19 supply disruptions. The current market uncertainty is also expected to heighten concerns about the security of future supply and continued upward movement in the spot price may be a trigger for increased term market activity.



- **COVID-19:**

During the quarter, the Spanish Government declared that the National 'State of Alarm' relating to the COVID-19 pandemic, which began on 14 March, would end on 21 June with its borders reopening to Europe and free movement being allowed within the country.

Towards the end of July, Spain began experiencing another surge in COVID-19 cases, with spikes in new daily infection rates forcing the Government to reinstate both voluntary guidelines and mandatory restrictions and place parts of the country, particularly in the north-eastern region of Catalonia, under temporary lockdown again.

All of the Berkeley team based in Spain are safe and well. Consistent with current Government guidelines, the Company has maintained a 'work from home' policy. Subject to the status of the COVID-19 pandemic and related Government policy and guidelines, it is expected that the team will recommence working from the Madrid and Retortillo offices following the end of the European summer.

Despite the Spanish Government suspending the term of all administrative and legal proceedings while the 'State of Alarm' was active, the Spanish Administration was still functioning during this time and Berkeley was able to maintain regular communication with the relevant officials from the NSC and the federal, regional and local governments to ensure the permitting processes continued to advance.

For further information please contact:

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Project Update:

The Salamanca mine is being developed to the highest international standards and the Company's commitment to health, safety and the environment remains a priority. It holds certificates in Sustainable Mining (UNE 22470-80), Environmental Management (ISO 14001), and Health and Safety (OHSAS 18001) which were awarded by AENOR, an independent Spanish government agency.

During the quarter, planning continued in advance of the annual internal and external audits of the Company's Sustainable Mining and Environmental Management Systems which are scheduled to take place in the coming months.

The annual evaluation of Environmental Aspects ("EA"), which was completed during the quarter, highlighted that significant reductions had been achieved in a number of target areas, including a 38% reduction in fuel consumption, a 48% reduction in printer toner consumption, and a 85% reduction in fluorescent residue. New targets have been set for 2020-21, with a focus of further reducing the consumption of electricity, water, paper and printer toner.

As part of its commitment to Sustainable Mining, the Company has commenced a Life Cycle Analysis of its operational processes, in order to determine the environmental impact of the products associated with these processes from their origin (raw materials) through to the end of their useful life. During the quarter, this initiative has focused on the analysis of the environmental impact of carbon dioxide ("CO₂") emissions generated by exploration drilling activities.

To facilitate an enhanced understanding of the environmental impact of CO₂ emissions and to determine which phase/activity of the life cycle is responsible for generating the most CO₂ emissions, a series of graphics providing visual representation of the information were designed during the quarter. As an example, the life cycle of exploration drilling activities is represented in Figure 1 below.

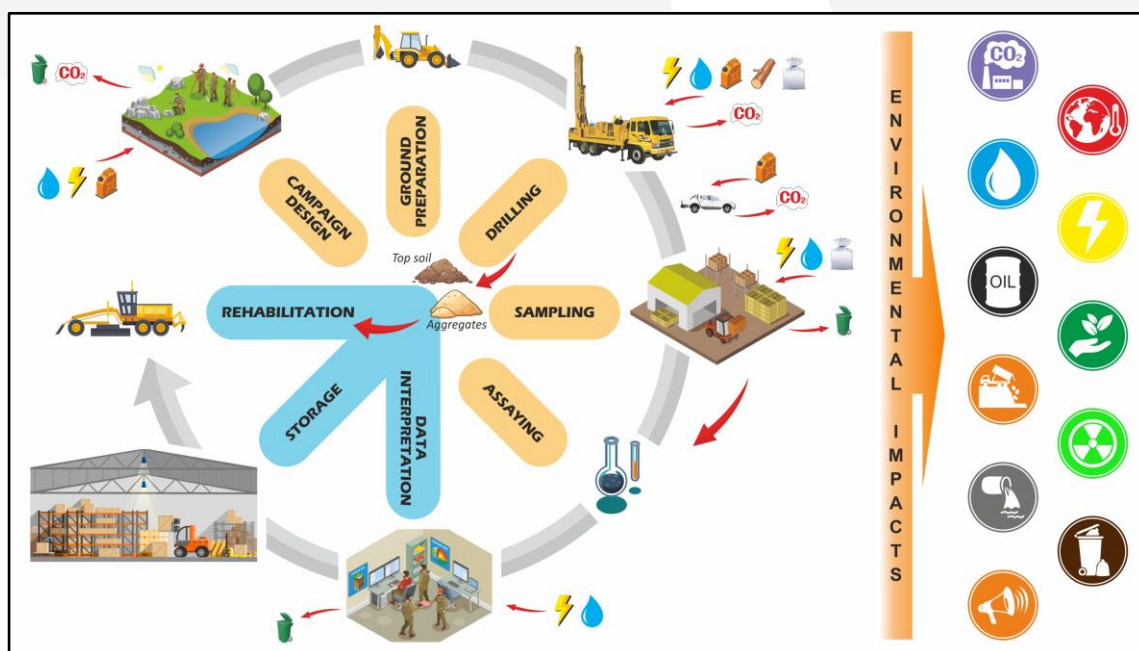


Figure 1 – Life Cycle of Exploration Drilling Activities

The determination and quantification of the direct environmental aspects derived from the consumption of raw materials and the production of waste that occurs during the different phases of the life cycle of exploration drilling activities was also completed (Figure 2).

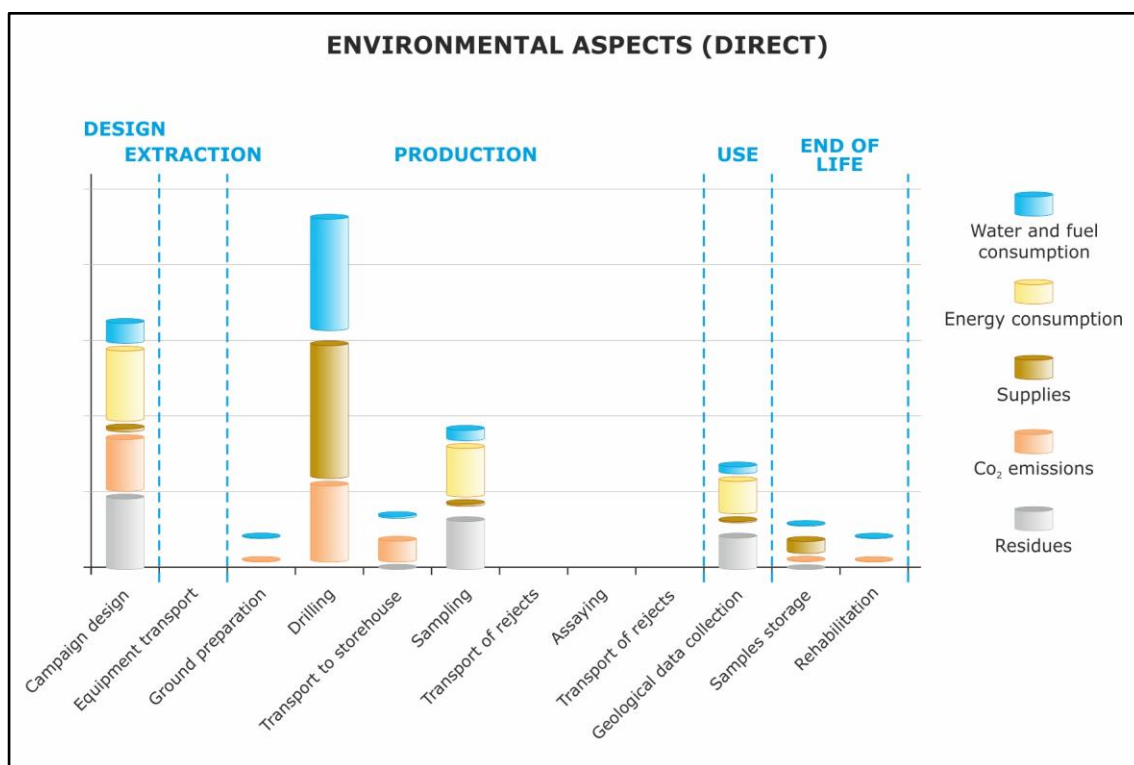


Figure 2 –Environmental Aspects (Direct): Life Cycle of Exploration Drilling Activities

The Company continued the migration its Health and Safety Management System from OHSAS 18001 to its replacement standard, ISO 45001, a process which is targeted for completion in the second half of 2020. As part of this process, an internal audit is planned for the first week of August, and the external audit (by AENOR) for the first week of September.

The monitoring programs associated with the NSC approved pre-operational Surveillance Plan for Radiological and Environmental Affections and pre-operational Surveillance Plan for the Control of the Underground Water continued during the quarter.

Permitting Update:

The Company continues to engage with all relevant authorities in a collaborative manner in order to facilitate the timely resolution of the pending approvals required to commence construction of the Salamanca mine.

During the quarter, the Company's Spanish executives and advisors have met with (via teleconference calls or in person once COVID-19 restrictions were lifted) and had constructive dialogue with relevant officials from the NSC, the Federal Government, the Regional Government of Castilla y León, the Municipality of Retortillo, and other key stakeholders.

As previously reported, at the request of the NSC, Berkeley consolidated the Company's responses to all of the NSC's technical queries into the official documentation, expanded the description of some sections (e.g. waste management, analysis of potential accidents, environmental radiological impact assessment, hydrological modelling), and formally submitted the updated official documentation to the NSC at the end of March.

During the current quarter, the Company held a number of meetings with the NSC technical team to discuss and clarify minor queries on the updated documentation. The Company has also provided written responses and/or additional technical information to the NSC when requested.



The next step in this process is for the NSC technical team to finalise their report and submit it to the NSC Board for approval. Once approved by the NSC Board, the NSC report and recommendation which is 'compulsory and binding on radiological matters' is provided to MITECO, who is the substantive authority responsible for the granting NSC II.

In late July, the NSC issued a favourable report for the extension of the validity of NSC I for the process plant as a radioactive facility at the Salamanca project. NSC I was granted by the then Ministry of Industry, Energy and Tourism in September 2015, with a 5-year validity period. The favourable report issued by NSC considered that the circumstances and characteristics of the process plant are the same as those contained in the Initial Authorisation issued in 2015. The next step is for the MITECO to approve this authorisation and set its duration period.

With regard to the award of the UL, the Municipality of Retortillo and the Company were informed by the Ministry of Environment and Development of the Regional Government of Castilla y León in March that the previously granted Authorisation of the Exceptional Land Use (a prerequisite for the award of the UL) remains fully valid and enforceable. This resolution by the Minister of Environment and Development allows the Municipality of Retortillo to advance the processing of the Company's UL application. The Company has met with the relevant officials of the Municipality of Retortillo during the quarter to ensure that they have all the required information to be able to award the UL, and to demonstrate that the application fulfils all technical and legal requirements.

The Company will continue to maintain a consistent approach, ensuring that the project complies with all applicable laws and regulations, as it progresses the approvals required to commence construction of the Salamanca mine and bring it into production.

Uranium market:

Uranium spot price continues to rise on uncertainty surrounding COVID-19 impacts to the nuclear fuel supply chain.

COVID-19 related supply disruptions have been experienced by a number of major uranium producers, including by Kazatomprom (Kazakhstan operations), Cameco (Cigar Lake mine), CNNC (Rössing mine) and Swakop Uranium (Husab mine). As a result, the uranium spot price increased to a high of US\$33.40 per pound during the quarter and currently stands at US\$32.20 per pound, representing a year to date increase of ~30%.

Analysts expect further tightening of market conditions as the current structural supply deficit in the global uranium market is exacerbated by these, and possible other, COVID-19 supply disruptions.

The current market uncertainty is also expected to heighten concerns about the security of future supply. Continued upward movement in the spot price may be a trigger for increased term market activity. Nuclear fuel buyers for utilities typically look to secure contracts a minimum of two years ahead of use. With a number of contracts dropping off from 2021, buyers may step into the market, providing another possible prop to uranium prices.

COVID-19:

During the quarter, the Spanish Government declared that the National 'State of Alarm' relating to the COVID-19 pandemic, which began on 14 March, would end on 21 June with its borders reopening to Europe and free movement being allowed within the country.

Towards the end of July, Spain began experiencing another surge in COVID-19 cases, with spikes in new daily infection rates forcing the Government to reinstate both voluntary guidelines and mandatory restrictions and place parts of the country, particularly in the north-eastern region of Catalonia, under temporary lockdown again.



Specifically, with regard to Berkeley, all of its Spanish team are safe and well. Consistent with current Government guidelines, the Company has maintained its 'work from home' policy. Subject to the status of the COVID-19 pandemic and related Government policy and guidelines, it is expected that the Berkeley team will recommence working from the Madrid and Retortillo offices following the end of the European summer.

Despite the Spanish Government suspending the term of all administrative and legal proceedings while the 'State of alarm' was active, the Spanish Administration was still functioning during this time and Berkeley and its advisors were able to maintain regular communication with the NSC, federal, regional and local government officials, and other key stakeholders, to ensure the permitting processes continued to advance.

Balance Sheet:

The Company is in a strong financial position with A\$92 million in cash.

Forward Looking Statements

Statements regarding plans with respect to Berkeley's mineral properties are forward-looking statements. There can be no assurance that Berkeley's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Berkeley will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Berkeley mineral properties. These forward-looking statements are based on Berkeley's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Berkeley, which could cause actual results to differ materially from such statements. Berkeley makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

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



Appendix 1: Summary of Mining Tenements

As at 30 June 2020, the Company had an interest in the following tenements:

Location	Tenement Name	Percentage Interest	Status
Spain			
<u>Salamanca</u>	D.S.R Salamanca 28 (Alameda)	100%	Granted
	D.S.R Salamanca 29 (Villar)	100%	Granted
	E.C. Retortillo-Santidad	100%	Granted
	E.C. Lucero	100%	Pending
	I.P. Abedules	100%	Granted
	I.P. Abetos	100%	Granted
	I.P. Alcornoces	100%	Granted
	I.P. Alisos	100%	Granted
	I.P. Bardal	100%	Granted
	I.P. Barquilla	100%	Granted
	I.P. Berzosa	100%	Granted
	I.P. Campillo	100%	Granted
	I.P. Castaños 2	100%	Granted
	I.P. Ciervo	100%	Granted
	I.P. Dehesa	100%	Granted
	I.P. El Águila	100%	Granted
	I.P. El Vaqueril	100%	Granted
	I.P. Espinera	100%	Granted
	I.P. Horcajada	100%	Granted
	I.P. Lis	100%	Granted
	I.P. Mailleras	100%	Granted
	I.P. Mimbre	100%	Granted
	I.P. Oñoro	100%	Granted
	I.P. Pedreras	100%	Granted
	E.P. Herradura	100%	Granted
	I.P. Conchas	Application	Pending
<u>Cáceres</u>	I.P. Almendro	100%	Granted
	I.P. Ibor	100%	Granted
	I.P. Olmos	100%	Granted
<u>Badajoz</u>	I.P. Don Benito Este	100%	Granted
	I.P. Don Benito Oeste	100%	Granted

No tenements were acquired or disposed of during the quarter ended 30 June 2020. There were no other changes to beneficial interest, acquired or disposed of, in any mining tenements due to farm-in or farm-out agreements.

Appendix 2: Related Party Payments

During the quarter ended 30 June 2020, the Company made payments of \$172,029 to related parties and their associates. These payments relate to existing remuneration arrangements (director and consulting fees plus statutory superannuation).

Appendix 5B

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

Name of entity

Berkeley Energia Limited

ABN

40 052 468 569

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(648)	(5,195)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(509)	(2,568)
	(e) administration and corporate costs	(170)	(1,030)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	213	1,499
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material) - Business Development	(2)	(105)
1.9	Net cash from / (used in) operating activities	(1,116)	(7,399)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(50)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(50)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(2)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	103,687	96,584
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,116)	(7,399)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(50)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(2)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(10,807)	2,631
4.6	Cash and cash equivalents at end of period	91,764	91,764

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	91,714	8,398
5.2	Call deposits	50	95,289
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	91,764	103,687

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(172)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

	8. Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,116)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,116)
8.4	Cash and cash equivalents at quarter end (item 4.6)	91,764
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	91,764
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	82
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2020

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.