



BERKELEYenergia

NEWS RELEASE | 20 September 2016 | AIM/ASX: BKY

Letter of Intent Signed for first Million Pounds of Salamanca Offtake

Berkeley Energia is pleased to announce that it has signed a Letter of Intent (Agreement) with a European based commodity trading company relating to the sale of the first million pounds of production from the Salamanca mine.

The Agreement with Interallloys Trading Limited (Interallloys) contemplates the sale of up to one million pounds of uranium concentrate over a five year period starting from the commencement of the mine and extendable thereafter by mutual consent.

The average price contemplated by the parties is above US\$41 per pound compared with the current spot price of around US\$25 per pound.

A combination of fixed and market related pricing will apply in order to secure positive margins in the early years of production whilst ensuring Berkeley remains exposed to potentially higher prices in the future.

Discussions are underway to finalize the non-binding Agreement into an offtake contract by the end of the year.

Berkeley is also in discussions with another potential off-taker in relation to a sales contract with terms similar to those outlined in the Interallloys Agreement.

Berkeley's view is that whilst uranium prices may remain flat in the near term, from 2018, when Salamanca is scheduled to come into production, the market is expected to be dominated by US utilities looking to re-contract who will at the same time be competing with Chinese new reactor demand, which may lead to higher spot and term contract prices.

Managing Director, Paul Atherley, commented:

"We are delighted to have signed an agreement over our first million pounds of offtake at contemplated pricing above \$41 per pound which would give us a very strong margin above our steady state cash cost of around US\$15 per pound.

With initial construction well underway and as we move closer to production we are receiving growing interest from major utilities who are looking to diversify their offtake to a low cost producer in Europe.

We intend to build our uranium sales book by entering into long term offtake contracts from now until the commencement of production."

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Competent Persons Statement

The information in this announcement that relates to the Definitive Feasibility Study, Mineral Resources for Zona 7, Ore Reserve Estimates, Mining, Uranium Preparation, Infrastructure, Production Targets and Cost Estimation is extracted from the announcement entitled 'Study confirms the Salamanca project as one of the world's lowest cost uranium producers' dated 14 July 2016, which is available to view on Berkeley's website at www.berkeleyenergia.com.

Berkeley Energia Limited (Berkeley) confirms that: a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions and technical parameters underpinning the Mineral Resources, Ore Reserve Estimate, Production Target, and related forecast financial information derived from the Production Target included in the original announcement continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this announcement have not been materially modified from the original announcements.

The information in the original announcement that relates to the Definitive Feasibility Study is based on, and fairly represents, information compiled or reviewed by Mr. Jeffrey Peter Stevens, a Competent Person who is a Member of The Southern African Institute of Mining & Metallurgy, a 'Recognised Professional Organisation' (RPO) included in a list posted on the ASX website from time to time. Mr. Stevens is employed by MDM Engineering (part of the Amec Foster Wheeler Group). Mr. Stevens has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in the original announcement that relates to the Ore Reserve Estimates, Mining, Uranium Preparation, Infrastructure, Production Targets and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Mr. Andrew David Pooley, a Competent Person who is a Member of The Southern African Institute of Mining and Metallurgy, a 'Recognised Professional Organisation' (RPO) included in a list posted on the ASX website from time to time. Mr. Pooley is employed by Bara Consulting (Pty) Ltd. Mr. Pooley has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Forward Looking Statement

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's mineral properties.