



BERKELEYenergia

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Berkeley Energia takes another step towards full construction as it orders main equipment for the crushing circuit

Berkeley Energia is pleased to announce that full construction of its 100% owned Salamanca mine will commence early next year following the order of the first major items for the crushing circuit.

Proceeds raised from the recent US\$30m equity raise have been used to order primary and secondary crushers from the Sandvik Group, one of the world's leading suppliers of crushers and related equipment, in a move that accelerates development of the Salamanca mine.

Amec Foster Wheeler, which is carrying out the Front End Engineering Design (FEED), made contractual enquiries for key equipment for the crushing circuit and the Company has now completed a purchase order for a primary jaw crusher and a secondary cone crusher.

The final cost of the equipment ordered was more than 20% below estimates from the Definitive Feasibility Study. The Company, which already sits at the bottom of the cost curve in terms of capital and operating costs, will continue to pursue cost optimisation opportunities as it proceeds towards full construction.

The Sandvik proposal was selected for a combination of factors, among others, quality, reliability, guaranteed throughput, bankability, delivery time and fulfilment of FEED requirements in terms of cost optimisation.

Commenting on the progress of the Salamanca mine, Managing Director Paul Atherley, stated:

"The ordering of the crushing circuits from Sandvik, following the successful equity financing completed in December, brings forward the commencement of construction of the processing plant by several months. The lower costs and shorter lead time associated with this key phase of construction moves Berkeley closer to its goal of becoming one of the world's lowest cost uranium producers, reliably supplying long term customers from the heart of the European Union"

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Further background:

Berkeley Energia's Salamanca mine

Berkeley Energia's objective is to be one of the world's lowest cost producers reliably supplying the world's leading utilities with fuel for base load clean energy from the heart of the European Union. Once in production the Salamanca mine will be one of the world's biggest producers supplying over four million pounds of uranium concentrate a year, equivalent to approximately 10% of the continent's total requirement.

An independent study published in July 2016 by MDM Engineering (part of AMEC Foster Wheeler Group) reported that the project has an NPV of over US\$530 million and will produce 4.4 million pounds of uranium per annum at a cash costs of US\$15.39 per pound during steady state, making it one of the world's lowest cost and a top ten global producer of uranium.

The mine will rejuvenate a community suffering from lack of investment and badly hit by long-term unemployment. Skills training programmes are being run for locals to equip them for the 454 jobs the mine will create once in full production. In addition, it has been estimated that over time the mine will generate indirectly an estimated further 2,295 jobs in the region. Local businesses are being prioritized and the local municipalities and communities will be fully supported throughout the life of the mine.

Uranium has been mined in this area of Spain since the 1950's and the country currently has seven nuclear reactors which generate one fifth of its electricity requirement. Spanish uranium mining initially occurred on a small scale until the 1970s when the Mina Fe uranium mine in Salamanca began production, producing a total of 5,500 tonnes of uranium concentrate before its closure in 2000.

Further information is available on www.berkeleyenergia.com.

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.

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