



**BERKELEY**energia

**NEWS RELEASE | 21 March 2017 | AIM/ASX: BKY**

**EU welcomes the development of the Salamanca mine with approval of first offtake contract**

Berkeley Energia is pleased to announce that the European Union has welcomed the development of the Salamanca mine by approving the Company's offtake agreement for the sale of the first production.

The EURATOM Supply Agency, the governing body for all nuclear fuel transactions within the European Union, has concluded that the agreement is in accordance with Article 52 of the EURATOM Treaty and has countersigned the agreement.

EURATOM has advised:

*"We particularly welcome the emergence and development of a new EU based uranium mining project and believe that it will contribute to the security of supply of natural uranium for the Community users."*

In November 2016, the Company entered into a sales agreement with Curzon Resources Limited, formerly known as Inter alloys Trading Limited, for a total of two million pounds of uranium over a five-year period, with scope to increase to a total of three million pounds.

The agreement is for an average fixed price of US\$43.78 per pound of contracted and optional volumes, which compares favourably to the current spot price of US\$25 per pound and establishes a strong cash margin above the steady state production costs of around US\$15 per pound.

The Company is in discussions with other potential off-takers in relation to contracts with terms similar to those outlined in the Inter alloys Agreement with pricing at or around long term benchmark levels for term contracts. Contracts for sale will be entered into in the ordinary course of business as the Company progressively builds its sales book with high quality off-takers.

Construction of the mine has commenced and is on track for first production in late 2018, which coincides with a large number of European and US utilities looking to re-contract at the same time as the Chinese new reactor demand comes on line.

**Managing Director, Paul Atherley, commented:**

*"We welcome the support from the European Union for our maiden off-take contract from the Salamanca mine, which is in construction and due to commence production next year."*

*At full production, Salamanca will be Europe's largest uranium producer accounting for 10% of the total requirement and will be important to the EU's security of supply, which currently relies on Russia, Kazakhstan and Niger for almost 60% of its uranium."*

*We are very encouraged by the strong and growing support for the investment in the Salamanca mine amongst all our stakeholders, not just from the EU but also from the various levels of government and community, as evidenced by the rising number of job applications from within the local villages."*

For personal use only



*Berkeley's investment into the Castilla y Leon region is in line with the EU and Spanish government's desire to rejuvenate regional communities badly hit by underinvestment and enduring high levels of long term and youth unemployment.*

*The Salamanca mine will create over 450 permanent jobs once the mine is in full production and it has been estimated that our investment will generate a further 2,295 new jobs in the region."*

*For further information please contact:*

**Paul Atherley**  
Managing Director  
+44 207 478 3900

[info@berkeleyenergia.com](mailto:info@berkeleyenergia.com)

**Hugo Schumann**  
Commercial Manager  
+44 207 478 3900

For personal use only



### **About Curzon Resources Limited:**

Curzon Resources, formally known as Interallloys and founded in 1993, is a privately funded commodity trading company specializing in the purchase, sale and distribution of commodities to a global customer base.

Curzon Resources continues to add to its expanding portfolio of offtake and distribution agreements. Working hand-in-hand with mine owners the company provides a route to market; logistics, capital and marketing.

Headquartered in Europe and with satellite operations worldwide Interallloys provides global coverage with local know-how to ensure the best cultural and strategic fit to its suppliers and customers.

### **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 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, 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 and high youth unemployment. Last year over 25,000 people left the Castilla y Leon region and in many villages houses stand empty.

Skills training programmes commenced last year and will continue throughout the construction phase to equip locals for the 454 jobs the mine will create once in full production. In addition, it has been estimated that over time the mine will indirectly generate 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.

Spain currently is currently generating around 20% of its electricity from seven nuclear power plants and is aiming to meet its long term carbon reduction targets with a combination of a nuclear zero carbon base load and renewables.

### **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](http://www.berkeleyenergia.com).*



*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 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's mineral properties.*