



BERKELEYenergía

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Update on Spanish Regulatory Regime

Berkeley Energia Limited (“Berkeley” or the “Company”) notes media reports following a meeting of the Ecological Transition ‘Ponencia’ (“Ponencia”) held on 23 February 2021 that discuss changes to the proposed amendment to the draft climate change and energy transition bill relating to the investigation and exploitation of radioactive minerals (e.g. uranium). Under the modified amendment proposed by the Ponencia:

- New applications for exploration, investigation or direct exploitation concessions for radioactive materials, nor their extensions, would not be accepted as of the entry into force of this law.
- Existing concessions, and open proceedings and applications related to these, would continue as per normal based on the current legislation.

The Ponencia is a sub-committee of the Commission of Ecological Transition of the Parliament in Spain formed to carry out a detailed study of the proposed amendments to the draft climate change and energy transition bill prior to, and in preparation for, the review and decisions of the full Commission of Ecological Transition of the Parliament. The outcomes of the meetings of the Ponencia are non-binding, are subject to change with ongoing study and discussions, and have not been formally published by the Spanish Government.

As reported by the Company last year, the parliamentary groups of two political parties in the Spanish Government (Unidas Podemos and PSOE) submitted a series of proposed amendments to the draft climate change and energy transition bill in October 2020. Under one of the proposed amendments, investigation and exploitation of radioactive minerals would be prohibited in the Spanish territory and any open proceedings related to the authorisation of radioactive facilities of the nuclear fuel cycle for the processing of such minerals would be closed.

The modified text proposed by the Ponencia establishes that *“As of the entry into force of this law, no new applications will be accepted for the granting of exploration permits, investigation permits or direct exploitation concessions, nor their extensions, regulated under Law 22/1973, of July 21, on mines of radioactive minerals, as defined in Law 25/1964, of April 29, on nuclear energy, when such resources are extracted for their radioactive, fissile or fertile properties. In addition, applications for the authorisation of new radioactive facilities of the nuclear fuel cycle for the processing of radioactive minerals, as defined in the Regulation on nuclear and radioactive facilities, will no longer be accepted.”* Importantly, existing rights for exploration, investigation and exploitation concessions would remain in force during their validity period. Existing proceedings underway would also continue under the legal framework set up by the current regulations.

It is important to note that this remains only a modified amendment to the draft climate change and energy transition bill proposed by the Ponencia that must now be reviewed and approved or rejected by the Commission of Ecological Transition of the Parliament, and subsequently follow the same process in the Spanish Senate. The processes in both the Parliament and the Senate must be completed and consistent, and the proposed modified amendment supported by a majority of votes in both Commissions for it to be approved. Accordingly, the proposed modified amendment relating to the investigation and exploitation of radioactive minerals may or may not be included in the final draft of the climate change and energy transition bill.



Berkeley's position on any adverse changes that may be included in the final draft of the climate change and energy transition bill is clear: prohibition of economic activities in Spain with no justified reasons is contrary to the Spanish Constitution and to the legal rights recognised by other international instruments. In particular, it must be taken into account that the Company currently holds legal, valid and consolidated rights for the investigation and exploitation of its mining projects, including a valid 30 year mining licence (renewable for two further periods of 30 years) for the Salamanca mine. The approval of any amendment which would imply a retroactive measure which expropriates the legal rights of Berkeley with no justification is not acceptable.

With more than 120 previously granted permits and favourable reports by the relevant authorities at the local, regional, federal and European Union levels, the Authorisation for Construction for the uranium concentrate plant as a radioactive facility ("NSC II") is the only pending approval required to commence full construction of the Salamanca mine.

The Company is continuing to engage with the relevant authorities to advance the approvals process for the Salamanca mine and will keep the market fully informed of any developments.

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