Yesterday, we have tried to reach you several times by phone in order to draw your attention on the following.

We have received the EU Commission report about Berkeley' Retortillo project, a copy of which is attached. We believe the Footnote 2 is not accurate and it seems a general comment, but in our case merits a clarification in order to avoid third parties confusion that may have knock-on effects to our project. In said Footnote 2 it is mentioned that some environmental aspects related to the fulfillment of EU Directives should be analyzed more detailed, as well as aspects related to the competence, as the case may be.

In reality all authorizations received from the Spanish authorities have taken into account all the applicable EU Directives. As a way to prove it, we are planning to send you, subject to your better judgement, a probatory check-list showing in what paragraphs of the Environmental and Mining Licenses is mentioned the fulfillment of the EU Directives, together with a copy of the Resolution of granting the Exploitation Concession (Mining License) and the favorable Declaration of Environmental Impact (Environmental License). Said check-list will be a complementary of the one we already delivered to you forming part of the our answer dated 27th of October 2014 to questions raised from you side. Unfortunately the confusion may have been generated because it never has been requested to us to send you a copy of said Environmental License sand Mining License issued by the Spanish authorities so, you were not able to follow up fulfillment of the EU directives in said documents.

We also believe that the concerns related to competence are not applicable to our case, because the competence to our project shall only supply 2.5% of the EU uranium needs. there are currently within the UE 131 reactors in operation for which 97.5% of the uranium comes from outside the UE. Unless some mines are opened within Europe, the import dependence shall increase, as currently there are 4 reactors in construction,19 planned, and 15 more proposed.

Please let us know if the sending of the documents mentioned above is the way to resolve the misunderstanding and if said documents shall be sent to your Unit and/or any other.

I will give you a call tomorrow to discuss it further.

Regards,
Internet: www.berkeleyresources.com.au