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## Berkeley honing in on Zona 7

Daniel Gleeson  
06 Sep 2016



All of the indicators are pointing to a resource upgrade at Berkeley Energia's Salamanca uranium project in Spain after its standout Zona 7 deposit continued to show off further potential.

Part of ongoing exploration aimed at improving the production profile and economics of the project, the drilling targeted extensions below the existing Zona 7 deposit.

The AIM and ASX-listed company had already delineated a resource from surface down to 100m at Zona 7, but recent drilling has shown economic grades go down to 271m.

Even before this, Salamanca, which is in the initial stages of development, was already an exceptional project in the uranium space, one which could even make money at today's depressed price.

Hosting 89.3 million pounds of uranium resources, it has the potential to produce 3.5Mlb per annum of uranium oxide over a 14-year mine life at an all-in cash cost of US\$17.15 per pound, according to a recent feasibility study.

This study envisaged the mine costing \$95.7 million to construct, hitting first production in 2018 and returning a post-tax net present value (8% discount) of \$531.9 million at an average uranium price of \$52.55/lb.

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In the past year, the company has been trying to find a way to replicate the economics of the first 10 years of mining at Salamanca, a period when it expects to produce 4.4Mlbpa of uranium oxide at an all-in cash cost of \$15.06/lb.

The options to do this included converting inferred resources and tapping resource potential from other satellite deposits, but Zona 7, the jewel in the Salamanca crown, is proving to be the key to achieving this goal.

Located 10km from the planned processing plant at Retortillo, Zona 7 is higher grade than anything the company has drilled at Salamanca. Also, the mineralisation is at shallow depths meaning the strip ratio is low and the capital needed to access the orebody is modest.

While the latest intercepts come from greater depths at Zona 7 – up to 271m depth – the grade more than outweighs any potential cost increase associated with accessing the orebody.

They include a 14m hit averaging 0.1776% U3O8 from 207m depth and a 26m intercept grading 0.1103% U3O8. These came on top of three holes drilled earlier this year at Zona 7, with a 14m intercept grading 0.4481% U3O8 from 193m depth the highlight. All of these are higher grade than the existing resource at Zona 7 (0.0631%).

Another eight holes targeting mineralisation below the Zona 7 deposit will be completed in the next two months, but a positive resource update is clearly pending at Salamanca.