2014 Annual Report

Berkeley
Resources Ltd

ABN 40 052 468 569

CORPORATE DIRECTORY

DIRECTORS

MR IAN MIDDLEMAS
Chairman

DR JAMES ROSS
Non-Executive Deputy Chairman

MR ROBERT BEHETS
Non-Executive Director

COMPANY SECRETARY

MR CLINT MCGHIE

EXECUTIVES

MR FRANCISCO BELLÓN
General Manager Operations

MR JAVIER COLILLA
Senior Vice President

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STOCK EXCHANGE LISTINGS

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Perth WA 6000

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10 Paternoster Square
London EC4M 7LS

ASX/AIM CODE

BKY – Fully paid ordinary shares

NOMINATED ADVISOR AND BROKER

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
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CONTENTS

Year in review

Berkeley Resources Limited ('Berkeley' or 'the Company') is a uranium exploration and development company with a quality resource base in Spain. The focus during the year in review has been the continued advancement of Berkeley's Salamanca Project in Spain.

Highlights during, and subsequent to, the 2013/2014 year include:

PRE-FEASIBILITY STUDY ('PFS') CONFIRMED THE TECHNICAL AND ECONOMIC VIABILITY OF THE SALAMANCA PROJECT

- Steady state annual production of 3.3 million pounds U_3O_8 over a 7 year period, with average annual production of 2.7 million pounds U_3O_8 over an initial 11 year life of mine;
- Average operating costs (C1 cash costs) of US$24.60 per pound of U_3O_8 over the life of mine;
- Upfront capital cost of US$95.1 million to deliver initial production. A further US$74.4 million, incurred in the second year of production, to achieve steady state operation; and
- PFS considered a base case scenario, with strong potential to increase the production profile and/or mine life.

COMMENCEMENT OF THE SALAMANCA PROJECT DEFINITIVE FEASIBILITY STUDY ('DFS')

- DFS focussed on the integrated development of Retortillo and Alameda;
- Opportunities to further enhance Project economics identified in PFS incorporated into DFS scope; and
- A number of work programs providing key inputs to the DFS, including detailed geological and structural mapping, hydrogeological studies, metallurgical testwork, and resource infill drilling at Retortillo, have commenced.

ENVIRONMENTAL LICENCE FOR RETORTILLO GRANTED

- The Regional Government granted a Favourable Declaration of Environmental Impact ('Environmental Licence') for Retortillo following submission and extensive review of the Company's Environmental and Social Impact Assessment ('ESIA').

Year in review

EXPLOITATION CONCESSION ('MINING LICENCE') FOR RETORTILLO GRANTED

- Valid for an initial period of 30 years, renewable for two further periods of 30 years;
- Covers an area of 25.2km^2 and includes the entire area containing the Retortillo deposit;
- Retortillo deposit forms part of the integrated Salamanca Project and is the first resource from which production is scheduled to commence; and
- With the grant of Mining Licence by the Regional Government, the approval processes associated with other key permits, including the Initial Authorisation of the process plant as a radioactive facility and the Exceptional Authorisation for Land Use (application for reclassification from rural to industrial use) of the affected surface land area at Retortillo, may now be finalised.

GAMBUTA SCOPING STUDY

- Completion of a positive Scoping Study on the Gambuta deposit, enabling the Company to advance Gambuta to the next stage of evaluation;
- The Gambuta deposit, which is located approximately 145 kilometres southeast of Retortillo, has an Inferred Mineral Resource Estimate ('MRE') of 12.7 million tonnes at 394 ppm U_3O_8 for a total of 11.1 million pounds of U_3O_8 at a 200 ppm U_3O_8 cut-off grade; and
- Gambuta will ultimately be integrated with Retortillo and Alameda, with a view to potentially increasing the production scale and/or mine life of the Salamanca Project.

HIGH GRADE MINERALISATION INTERSECTED AT ZONA 7

- Zona 7 is the largest of the Retortillo Satellite Deposits and currently hosts an Inferred MRE of 3.9 million tonnes averaging 414 ppm U_3O_8 for a contained 3.6 million pounds of U_3O_8 at a 200 ppm U_3O_8 cut-off grade (not including the results from the 2013 or 2014 drill program). It is located within 10 kilometres of the proposed location of the centralised processing plant at Retortillo;
- 2013 drill program intersected high grade mineralisation at shallow depths and extended the mineralisation a further 1,200 metres to the southwest of the current resource area;
- Better intercepts from the 2013 program included 29 metres @ 3,391 ppm U_3O_8, 17 metres @ 1,260 ppm U_3O_8, 15 metres @ 1,392 ppm U_3O_8, 25 metres @ 683 ppm U_3O_8 and 13 metres @ 1,161 ppm U_3O_8;
- A follow up drill program aimed at infilling the zone of mineralisation delineated by the 2013 program and extending it further along strike commenced in May 2014. The 2014 program was designed to close the broadly spaced 2013 drill pattern down to a notional 100 metre by 100 metre grid to facilitate the estimation of a revised Inferred MRE for Zona 7 in late 2014; and
- Results from the 2014 program received to date include 21 metres @ 3,101 ppm U_3O_8, 25 metres @ 2,005 ppm U_3O_8, 21 metres @ 1,535 ppm U_3O_8, 17 metres @ 1,517 ppm U_3O_8 and 16 metres @ 1,014 ppm U_3O_8.

Salamanca Project

Figure 1. Location of the Salamanca Project, Spain

SALAMANCA PROJECT (cont.)

Berkeley is focused on the development of its wholly owned flagship Salamanca Project in western Spain (Figure 1). The Project comprises the Retortillo, Alameda, Gambuta and Zona 7 deposits as well as a number of other Satellite Deposits and is currently being advanced through the development phase towards production. The Salamanca Project includes granted tenements covering an area in excess of 80,000 ha. Total mineral resources are estimated at **65.4 million tonnes at 427 ppm U_3O_8 for a total of 61.6 million pounds U_3O_8**, with significant exploration potential.

PROJECT EVALUATION

Pre-Feasibility Study

In September 2013, the Company completed a PFS on the integrated development of Retortillo and Alameda, which clearly demonstrated the Salamanca Project's potential to support a significant scale, long life uranium mining operation (refer ASX announcement dated 26 September 2013).

The PFS was managed by SENET and was completed by a number of industry recognised specialist consultants including SRK Consulting for mine design, Knight Piésold for heap leach design, Duro Felguera for project cost estimates and URS for environmental management.

The key considerations for the PFS were preferred mining method and mining schedule, preferred processing route, scale, throughput rate, project life, as well as development of the associated infrastructure taking due cognisance of community and environmental impacts.

Key parameters used in the PFS included:

- **Ore Processing Rate**
  5,500,000 tonnes per annum (steady state)
- **Mining Cut-off Grades**
  105 ppm U_3O_8 for Retortillo and 90 ppm U_3O_8 for Alameda
- **Metallurgical Recovery**
  85%
- **Uranium Price**
  US$65 per pound U_3O_8
- **Exchange Rate**
  US$/€1.28

Using only the current MRE for Retortillo and Alameda, which total 34.5 million pounds U_3O_8 (36.9 million tonnes at 424 ppm; 200 ppm U_3O_8 cut-off grade), as a base case scenario, the Project can support an average annual production of 3.3 million pounds of U_3O_8 during the seven years of steady state operation and 2.7 million pounds of U_3O_8 over a minimum eleven year mine life (refer ASX June 2014 Quarterly Report). There is strong potential to increase the production profile and/or mine life through the exploitation of additional resources held by the Company (totalling 27.1 million pounds U_3O_8) and with ongoing exploration work.

Table 1: Summary of MREs used as the basis of the PFS

Retortillo and Alameda
Mineral Resource Estimates – September 2013
Reported at a lower cut-off grade of 200 ppm U_3O_8

	Category	Tonnage (million tonnes)	Grade (U_3O_8 ppm)	Contained U_3O_8 (million pounds)
Retortillo	Indicated	14.4	378	12.0
	Inferred	1.8	359	1.4
	Sub Total	16.2	376	13.4
Alameda	Indicated	20.0	455	20.1
	Inferred	0.7	657	1.0
	Sub Total	20.7	462	21.1
Combined	Indicated	34.4	423	32.1
	Inferred	2.5	443	2.4
	Total	36.9	424	34.5

The PFS was based on open pit mining, heap leaching using on-off leach pads, a centralised process plant at Retortillo, and a remote ion exchange operation at Alameda, with loaded resin trucked to the centralised plant for final extraction and purification. The open pits are shallow (maximum depth of 135 metres) with low strip ratios (average 1:2.1 ore to waste for the Project over the life of mine). During steady state operation the annual ore processing rate is 5.5 million tonnes. Operating costs (C1 cash costs) average US$24.60 per pound U_3O_8 over the life of mine (Table 2).

Table 2: Summary of LOM Operating Costs (nominally ± 20% accuracy)

	Cost (US$/lb U_3O_8)	
Description	**Retortillo**	**Alameda**
Mining	14.50	9.76
Processing (including ripios backfill)	12.80	10.41
G&A	2.03	1.56
Subtotal by Area	**29.33**	**21.73**
Total Operating Costs	**24.60**	

The initial capital cost (nominally ± 20% accuracy) for the Project is estimated at US$95.1 million (Table 3). This cost is inclusive of all mine, processing, infrastructure and indirect costs required to develop and commence production at Retortillo. A further US$74.4 million of capital, incurred in the second year of production, is required to develop Alameda and achieve steady state operation (Table 4). The Project's capital cost reflects the excellent existing infrastructure, use of heap leaching as the preferred processing route, and the favoured mining contractor scenario (no mining fleet capital expenditure).

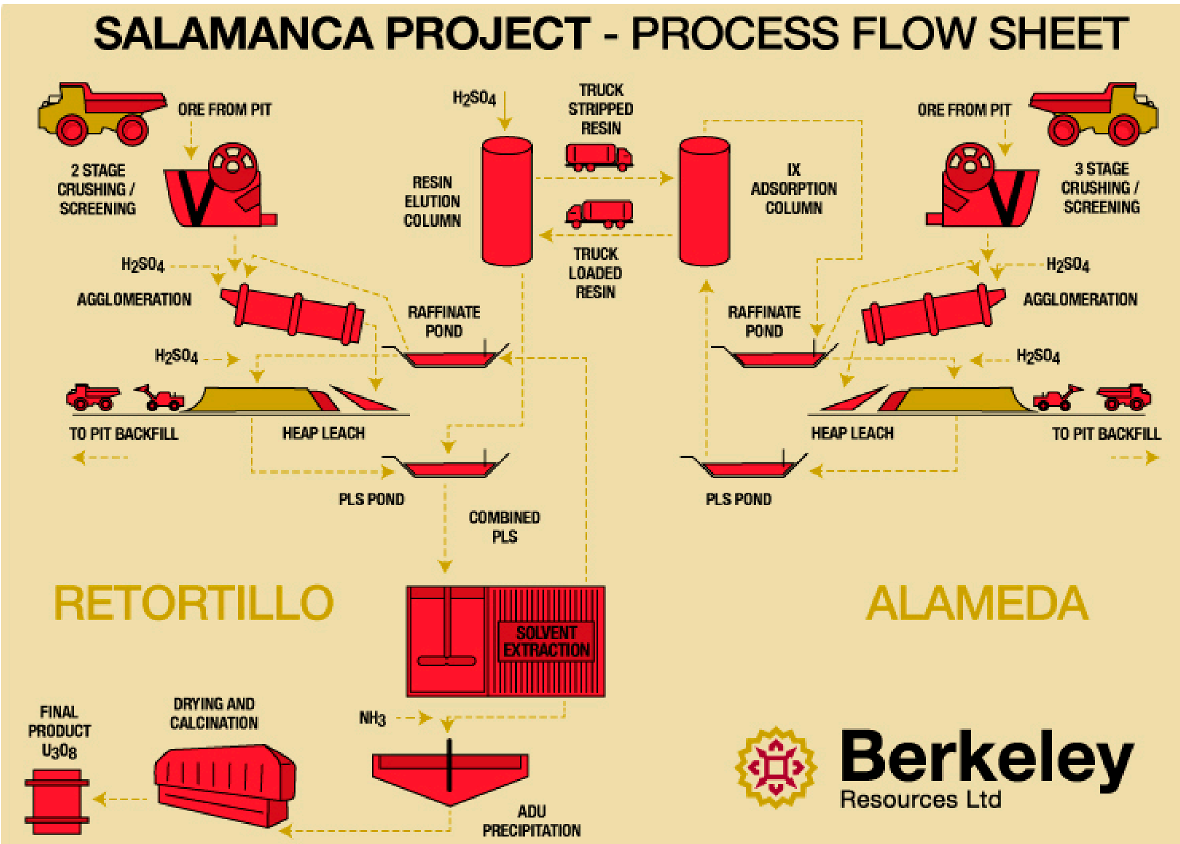

Figure 2: Salamanca Project Process Flowsheet

SALAMANCA PROJECT (cont.)

Table 3: Summary of Retortillo Capital Costs (nominally ± 20% accuracy)

Description	Cost (US$m)
Mining:	
Mining Fleet (included in Opex)	0
Pre-Strip	8.6
Processing:	
ROM Pad	0.3
Crushing	6.6
Agglomeration	1.5
Heap Leach	13.4
Water Treatment Plant	1.8
SX	6.2
Refinery	7.7
Reagents and Utilities	4.7
Infrastructure:	
Buildings, internal roads etc.	2.7
Power Supply	8.0
Road Diversion	1.2
Temporary/Waste Dumps	3.2
Water Management Facilities	3.3
Land Acquisition	5.0
G&A:	2.2
Indirect Costs:	
First Fill and Spares	1.2
EPCM	5.6
Contingency	9.0
P&G	3.0
Total	**95.1**

Table 4: Summary of Alameda Capital Costs (nominally ± 20% accuracy)

Description	Cost (US$m)
Mining:	
Mining Fleet (included in Opex)	0
Pre-Strip	5.1
Processing:	
ROM Pad	0.6
Crushing	7.4
Agglomeration	1.6
Heap Leach	13.5
Water Treatment Plant	1.3
IX	5.5
Reagents and Utilities	2.2
Infrastructure:	
Buildings, internal roads etc.	2.4
Power Supply	6.0
Road Diversion	0.6
Temporary/Waste Dumps	4.5
Water Management Facilities	3.6
Land Acquisition	3.9
G&A: (included in Opex)	0
Indirect Costs:	
First Fill and Spares	1.9
EPCM	4.7
Contingency	7.2
P&G	2.3
Total	**74.4**

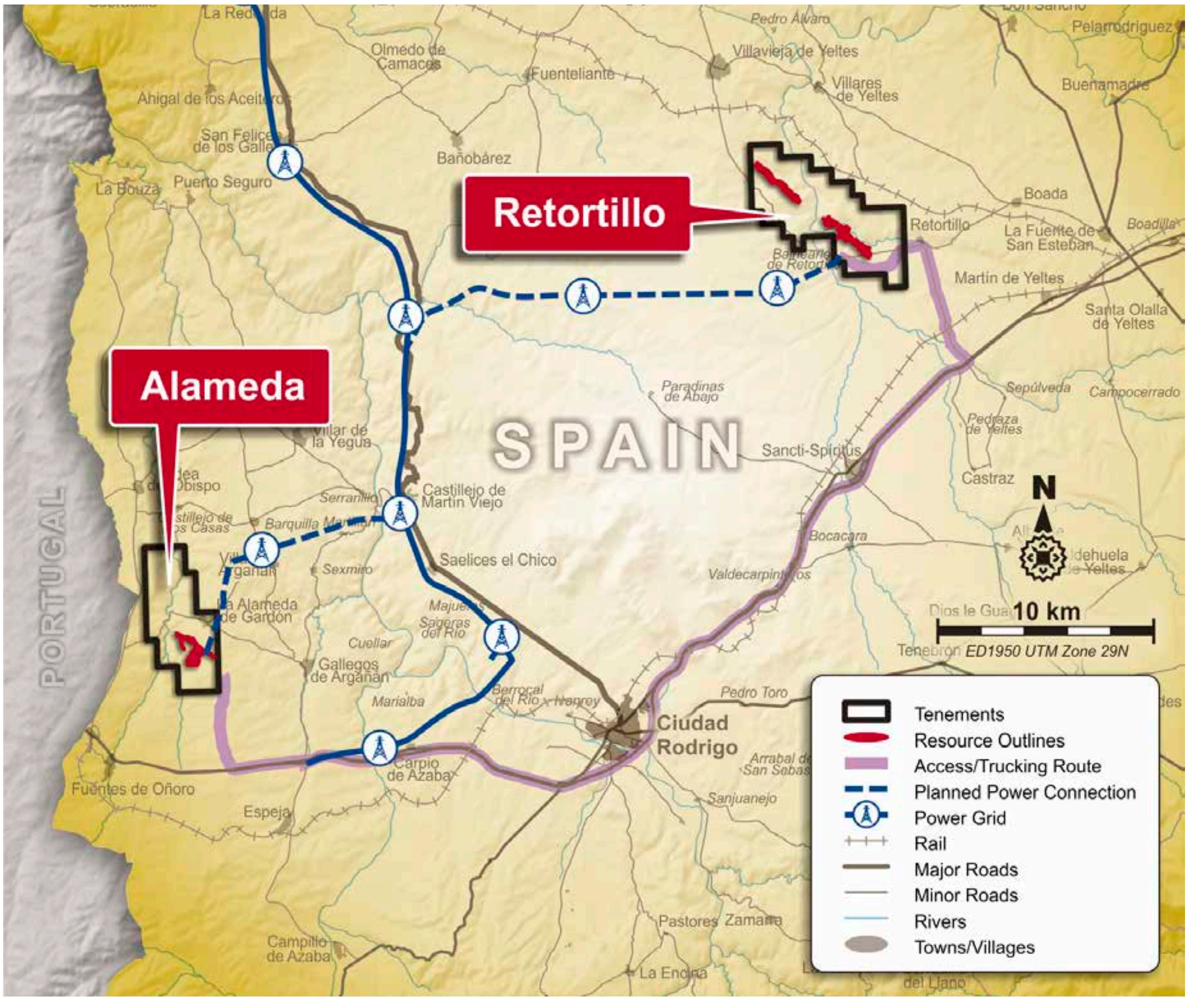

Figure 3: Salamanca Project Infrastructure

Definitive Feasibility Study

The Project was subsequently advanced to the DFS stage. A number of opportunities to further enhance the Project economics through capital and operating cost reductions were identified in the PFS. Prior to commencing the DFS, the Company undertook a comprehensive review of the PFS with a view to assessing these opportunities and defining key work programs to be incorporated into the final scope.

Following completion of this review, the key areas of focus for the DFS include:

- Resource infill drilling programs aimed at upgrading the classification of specific portions of the current Retortillo and Alameda MRE's to the Measured category;
- Further metallurgical testwork programs, including additional column leach work (six metre columns – operational height), in combination with ion exchange ('IX') at Alameda and solvent extraction ('SX') and ammonium diuranate ('ADU') precipitation at Retortillo to generate more detailed information relating to the pH and acid consumption optimisation, design and sizing of the IX and SX units, and final product specification;
- Development of a Geo-Met model which will incorporate additional geological and metallurgical parameters into the resource block model to support metallurgical process modelling and mine planning and optimisation;
- Open pit optimisation, detailed mine design and production scheduling using the upgraded MRE block models;
- Enhanced design of the project infrastructure and site facilities;
- Undertaking engineering studies to support capital and operating cost estimates for the Project to a level of accuracy of nominally ±10%; and
- Undertaking an evaluation of the various alternatives for funding the development of the Project and the sale of future uranium production (including uranium marketing and off-take arrangements).

A number of work programs providing key inputs to the DFS have commenced, including the resource infill drilling program at Retortillo, the metallurgical testwork program, development of Geo-Met models and hydrogeological studies for both sites.

SALAMANCA PROJECT (cont.)

Gambuta Scoping Study

The Company has also completed a Scoping Study level evaluation ('the Study') of the Gambuta deposit, which will ultimately be integrated with Retortillo and Alameda, with a view to potentially increasing the production scale and/or mine life of the Project.

The Gambuta deposit, which is located approximately 145 kilometres southeast of Retortillo, has an Inferred MRE of 12.7 million tonnes at 394 ppm U_3O_8 for a total of 11.1 million pounds of U_3O_8 at a 200 ppm U_3O_8 cut-off grade (refer ASX September 2012 Quarterly Report).

The conceptual approach used in the Study was based on open pit mining, heap leaching, and a remote IX operation, with the loaded resin being trucked to the proposed centralised plant at Retortillo for final extraction and purification.

The geometry, average thickness and depth of the mineralisation make it amenable to shallow open pit mining with a low ore to waste strip ratio.

The scope of work included initial metallurgical testwork on a 330 kilogram representative sample, comprising bond crushability and bond abrasion tests, diagnostic leach tests, mineralogy and column leach tests at various crush sizes. The results of the testwork showed that uranium recovery improves with finer crushing and averages 80% across the various material types at a 12 mm crush size. Acid consumption for the heap leach will range from 9 kg/t to 10 kg/t, inclusive of the addition of acid in the agglomeration process. Analytical data of the pregnant liquor solution ('PLS') obtained during the testwork program indicated that there are no impurities at levels that could adversely impact the downstream process.

Geomechanical tests confirmed that the ore (and residues) could be stacked up to eight metres, with the heap leach pad design conservatively assuming the ore will be stacked in two six metre lifts.

Additional work included geotechnical evaluation (based on re-logging of available drill core), open pit optimisation and mine design, heap leach pad design, and a site layout and infrastructure assessment.

The existing regional infrastructure provides ready access to the site location, power and water. In terms of resin transport, the distance to the proposed centralised facility at Retortillo is 250 kilometres using the established road network with approximately 90% of the route being highways. Given the Project's proximity to local towns and villages, on-site accommodation facilities are not required.

The results of the Study were positive and accordingly, the Company will advance Gambuta to the next stage of the evaluation. This will include further compilation and assessment of available technical and environmental baseline data, additional environmental and radiological monitoring and baseline studies, and subsequently resource infill drilling aimed at upgrading the current Inferred MRE to the Indicated category and further metallurgical testwork.

PERMITTING

A number of major permitting milestones were achieved during 2013/2014 with the grant of the Favourable Declaration of Environmental Impact ('Environmental Licence') and the Exploitation Concession ('Mining Licence') for Retortillo by the Regional Government of Castilla and León.

Retortillo

The Retortillo Environmental Licence was granted in October 2013 following substantial work over a 24 month period directed towards permitting of the Project, including environmental and social baseline studies and culminating with the submission of the Environmental and Social Impact Assessment ('ESIA'), together with the Exploitation Plan and the Reclamation and Closure Plan for Retortillo.

The ESIA and associated documentation were subjected to extensive review by all relevant authorities and key stakeholders, including a 30 day Public Information Period, prior to the grant of the Environmental Licence. The Environmental Licence covers all mining and processing activities, including treatment of loaded resin transported to Retortillo from other deposits.

Key activities undertaken during the ESIA process, which was managed by Berkeley with input from a multi-disciplinary group of specialist consultants, included environmental baseline monitoring studies, census work to understand the flora and fauna within and around the tenement area, ecosystem and habitat sensitivity surveys, noise and air quality studies, surface and underground water studies, and extensive community engagement.

The grant of the Mining Licence for Retortillo in April 2014 is a major milestone for the Company and follows the approval of Exploitation and Reclamation and Closure Plans for the proposed mining operation submitted by Berkeley, and the completion of a number of studies and technical review sessions with relevant government agencies. The granting of the Mining Licence has also taken into account the prerequisite approval of the Company's ESIA by the environmental authorities, and the favourable recommendation report issued by the Nuclear Safety Council.

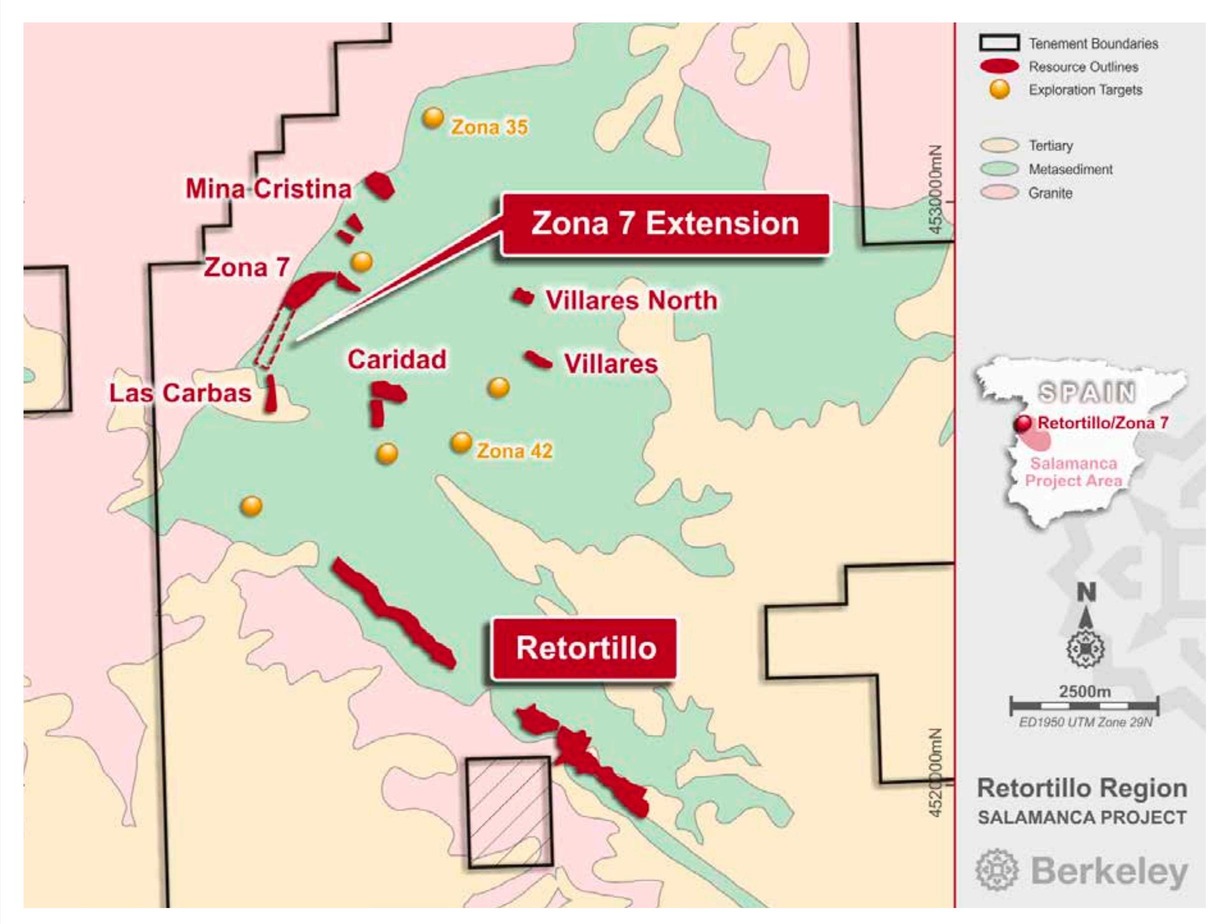

Figure 4: Exploration Potential – Retortillo Region

The Mining Licence is valid for an initial period of 30 years and may be renewed for two additional periods of 30 years. It covers an area of 25.2km^2 and includes the entire area containing the Retortillo Mineral Resource Estimate.

With the grant of the Mining Licence, the approval processes associated with other key permits including the Initial Authorisation of the process plant as a radioactive facility and the Exceptional Authorisation for Land Use (application for reclassification from rural to industrial use) of the affected surface land area at Retortillo, may now be finalised.

Alameda

The key documents required for the next phase of permitting at Alameda were submitted to the relevant authorities during the year. These included a revised version of the Environmental Scoping Document ('ESD') which was updated to incorporate the results from the PFS and inputs from the granting of the Environment and Mining Licenses for Retortillo.

EXPLORATION POTENTIAL

The exploration and resource growth potential in the Retortillo, Alameda and Gambuta regions is considered significant with numerous untested or poorly tested radiometric anomalies, exploration targets under shallow Tertiary cover, and possible extensions to known resources.

A comprehensive review of all available data for the regional tenements surrounding the existing resources was completed in 2013, in order to rank and prioritise the identified anomalies/targets, generate new exploration targets and design an exploration work program.

Zona 7 is the first of the exploration targets to be tested and there remain a number of other priority targets, including Zona 42 in the Retortillo region, and Villar in the Alameda Region. The Company will progressively explore each of these prospective targets.

Zona 7

Zona 7 is located approximately 10 kilometres to the northwest of the proposed location of the centralised processing plant at Retortillo and currently hosts an Inferred MRE of 3.9 million tonnes averaging 414 ppm U_3O_8 for a contained 3.6 million pounds of U_3O_8 at a lower cut-off grade of 200 ppm U_3O_8 (refer ASX June 2012 Quarterly Report). The extension of Zona 7 to the southwest was identified as a priority drill target in the 2013 review.

SALAMANCA PROJECT (cont.)

An 18 hole, 1,133 metre reverse circulation ('RC') drill program was completed in 2013 to test this priority target. Assay results returned from this drilling program confirmed that the Zona 7 mineralisation extends a further 1,200 metres to the southwest of the current resource area. The drilling, which was carried out on an approximately 400 metre by 100 metre grid, essentially doubled the strike extent of the mineralised zone and it remained open. Significant high grade intersections were recorded at shallow depths (from 9 metres to a maximum depth of 84 metres), with thicknesses up to 29 metres. Better intercepts included 29 metres @ 3,391 ppm U_3O_8, 17 metres @ 1,260 ppm U_3O_8, 15 metres @ 1,392 ppm U_3O_8, 25 metres @ 683 ppm U_3O_8 and 13 metres @ 1,161 ppm U_3O_8 (refer ASX announcement dated 7 August 2013).

A follow-up drill program in 2014, comprising 44 RC holes for approximately 3,100 metres and three diamond core holes for approximately 300 metres, was aimed at infilling the zone of mineralisation defined by the 2013 drilling and extending it further along strike. The program was designed to close the broadly spaced 2013 drill pattern down to a notional 100 metre by 100 metre grid to facilitate the estimation of a revised Inferred Mineral Resource for the prospect.

The 2014 program was completed in September and results received to date include 21 metres @ 3,101 ppm U_3O_8, 25 metres @ 2,005 ppm U_3O_8, 21 metres @ 1,535 ppm U_3O_8, 17 metres @ 1,517 ppm U_3O_8 and 16 metres @ 1,014 ppm U_3O_8. These results have shown that there is good continuity of the mineralised zone, both in terms of thickness and grade, between the previous broader spaced holes. Significant high grade intersections have been recorded at shallow depths (from surface to a maximum depth of 73 metres), with thicknesses up to 25 metres.

Initial results from the 2014 drilling program at Zona 7 confirm continuity of the mineralised zone extending well beyond the current resource boundary, and highlight the significant exploration and resource growth potential of the broader Salamanca Project.

The data obtained from both the 2013 and 2014 drilling programs will form the basis for an upgraded Inferred Mineral Resource for Zona 7, anticipated to be completed in the December 2014 quarter.

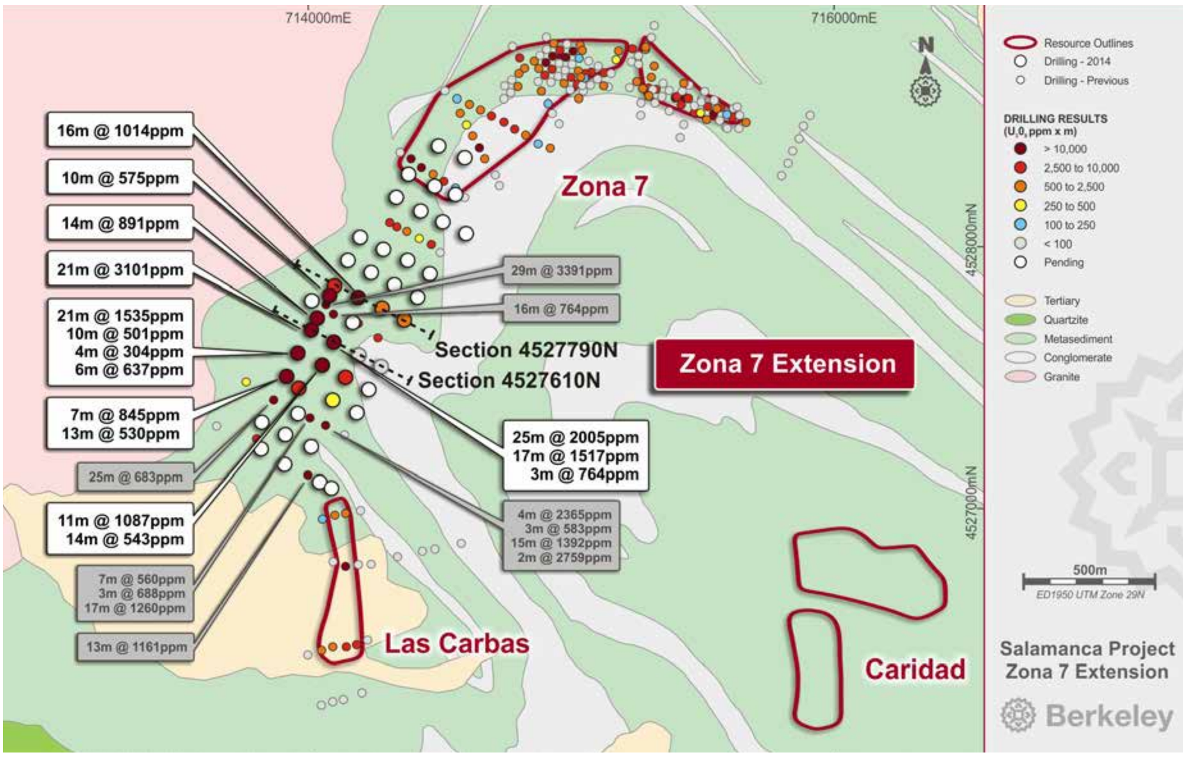

Figure 5: Drilling Plan Highlighting Extension of Zona 7 Mineralisation

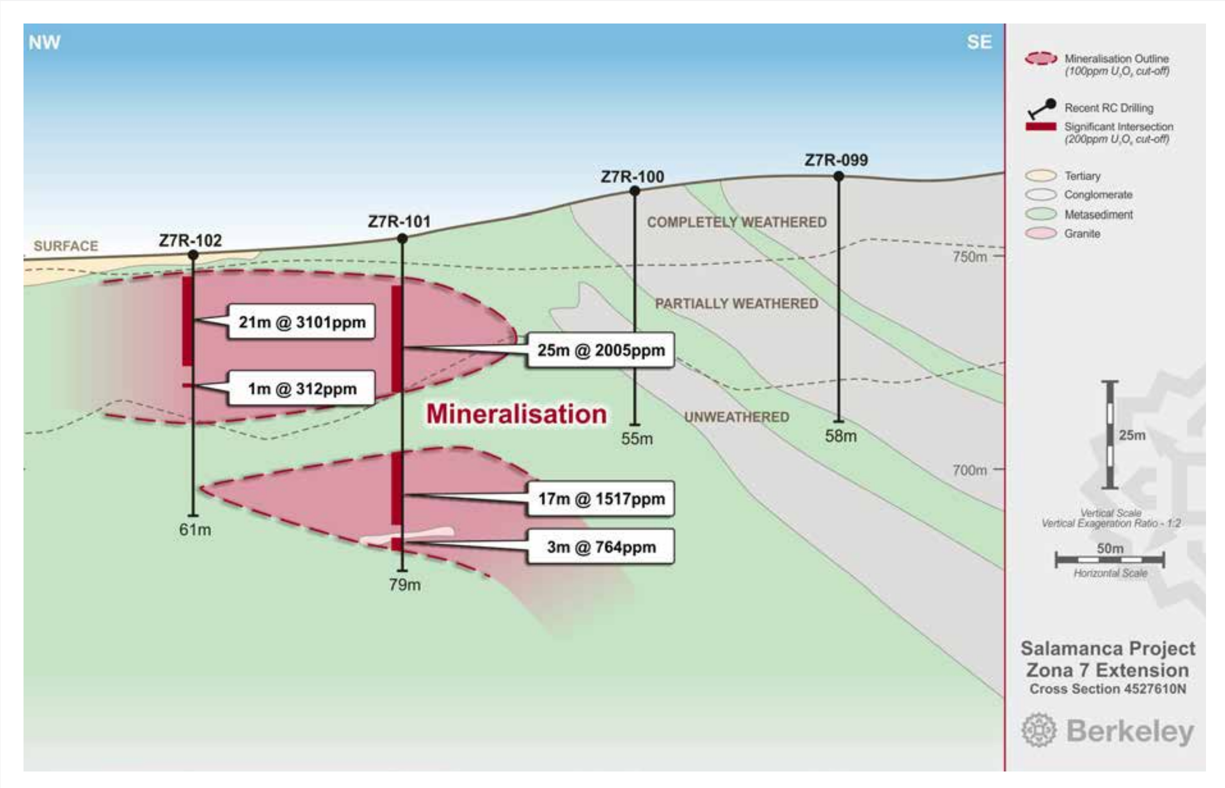

Figure 6: Zona 7 Cross Section

Sustainable development

Berkeley believes that the success of its business is underpinned by a strong commitment to all aspects of sustainable development with an integrated approach to economic, social and environmental management and effective corporate governance.

Environment and Sustainable Mining Management

Caring for the environment is an integral part of Berkeley's business and the Company is committed to operating in a responsible manner which minimises the impact on the environment.

The Company seeks to ensure that throughout all phases of activity, personnel and contractors give proper consideration to the care of flora, fauna, land, air, water and the community.

Berkeley's internal policies outline the Company's commitment to pollution prevention, safeguarding the environment, educating our employees and local communities about our environmental commitments, and applying proven management practices to prevent or mitigate any adverse environmental impacts. Performance indicators are used to measure and monitor the Company's performance.

Sustainable Mining Management, including environmental responsibility, radiological protection and community awareness, engagement and support are paramount considerations for Berkeley.

In September 2012, Berkeley qualified for certification in accordance with ISO 14001 of Environmental Management, which sets out the criteria for an environmental management system, and UNE 22480 of Sustainable Mining Management, which allows for the systematic monitoring and tracking of sustainability indicators, and is useful in the establishment of targets for constant improvement. These certifications require the review of economic, environmental and social indicators, and provide assurance to Company management and employees, as well as external stakeholders, that environmental impact is being measured and improved, and are renewed annually after an external audit. In ensuring effective environmental management, Berkeley has a dedicated Environmental Manager who is responsible for the day to day implementation of the Company's environmental guidelines and procedures.

Health and Safety

The Company believes that sound occupation health and safety management practices are in the best interests of its employees, contractors, the communities in which it operates and its shareholders. Berkeley is committed to achieving the highest performance in occupational health and safety to create and maintain a safe and healthy environment in the workplace.

Berkeley seeks to eliminate work-related incidents, illnesses and injuries by identifying, assessing and where reasonably practical, eliminating or otherwise controlling hazards.

In ensuring effective radiation protection management, Berkeley has a dedicated Manager who is responsible for the day to day implementation of the legal prescriptions and guides (i.e. United States NRC Regulatory Guide 4.14 Revision 1) which are being monitored by the Spanish Nuclear Safety Council. The Company is also assisted by the leading specialist consulting firm operating in Spain in the field of radiological protection.

Community Relations

Berkeley seeks to develop and maintain positive, enduring relationships with its host communities in line with the Company's code of Ethics and Conduct by striving for mutual understanding of each other's needs and aspirations.

The Company has signed a number of co-operation agreements with local municipalities, which seek to outline and optimise the relationship between the Company and the municipalities. The co-operation agreements allow for the ongoing contribution of the local communities, and provide for economic and social development within the municipalities. Community relations initiatives include:

- Berkeley seeks to employ people from local communities and to source supplies from local providers where available. A recruitment and selection process has been established with a human resources consultant, and a dedicated office opened in Retortillo.
- The Company intends to establish a training centre located at Retortillo, which will provide training for some of the skills required by the Company and its operations.
- The Company is committed to undertake appropriate archaeological studies, monitored by the Ministry of Culture of the Junta de Castilla y León.
- The Company will contribute to cultural, educational and sports activities of the directly affected municipalities.

DIRECTORS' REPORT
30 JUNE 2014

The Directors of Berkeley Resources Limited submit their report on the Consolidated Entity consisting of Berkeley Resources Limited ('Company' or 'Berkeley' or 'Parent') and the entities it controlled at the end of, or during, the year ended 30 June 2014 ('Consolidated Entity' or 'Group').

DIRECTORS

The names of Directors in office at any time during the financial year or since the end of the financial year are:

Mr Ian Middlemas – Chairman
Dr James Ross – Non-Executive Deputy Chairman
Mr Robert Behets – Non-Executive Director

Unless otherwise disclosed, Directors held their office from 1 July 2013 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Ian Middlemas
Chairman
Qualifications – B.Com, CA

Mr Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director and Chairman of Berkeley Resources Limited on 27 April 2012. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Paringa Resources Limited (October 2013 – present), Prairie Mining Limited (August 2011 – present), Papillon Resources Limited (May 2011 – present), Pacific Ore Limited (April 2010 – present), Wildhorse Energy Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), WCP Resources Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present), Sierra Mining Limited (January 2006 – June 2014), Decimal Software Limited (July 2013 – April 2014), Global Petroleum Limited (April 2007 – December 2011) and Coalspur Mines Limited (March 2007 – October 2011).

James Ross AM
Non-Executive Deputy Chairman
Qualifications – B.Sc. (Hons.), PhD, FAusIMM, FAICD

Dr Ross is a leading international geologist whose technical qualifications include an honours degree in Geology at UWA and a PhD in Economic Geology from UC Berkeley. He first worked with Western Mining Corporation Limited for 25 years, where he held senior positions in exploration, mining and research. Subsequent appointments have been at the level of Executive Director, Managing Director and Chairman in a number of small listed companies in exploration, mining, geophysical technologies, renewable energy and timber. His considerable international experience in exploration and mining includes South America, Africa, South East Asia and the Western Pacific.

Dr Ross is Chairman of Earth Science Western Australia Inc. and the John De Laeter Centre for Isotope Research; a member of the Technology Industry Advisory Council; and a former Director of Kimberley Foundation Australia Limited.

He was appointed a Director of Berkeley Resources Limited on 4 February 2005. He has not been a Director of another listed company in the three years prior to the end of the financial year.

CURRENT DIRECTORS AND OFFICERS (Continued)

Robert Behets
Non-Executive Director
Qualifications – B.Sc (Hons), FAusIMM, MAIG

Mr Behets is a geologist with over 25 years' experience in the mineral exploration and mining industry in Australia and internationally. He was instrumental in the founding, growth and development of Mantra Resources Limited, an African focused uranium company, through to its acquisition by ARMZ for approximately A$1 billion in 2011. Prior to Mantra, Mr Behets held various senior management positions during a long career with WMC Resources Limited.

Mr Behets has a strong combination of technical, commercial and managerial skills and extensive experience in exploration, mineral resource and ore reserve estimation, feasibility studies and operations across a range of commodities, including uranium, gold and base metals. He is a Fellow of The Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and was also previously a member of the Australasian Joint Ore Reserve Committee ('JORC').

Mr Behets was appointed a Director of the Company on 27 April 2012. During the three year period to the end of the financial year, Mr Behets has also held a directorship in Papillon Resources Limited (May 2012 – present).

Francisco Bellón
General Manager Operations
Qualifications – M.Sc

Mr Bellón is a Mining Engineer specialising in mineral processing and metallurgy with over 18 years' experience in operational and project management roles in Europe, South America and West Africa. He held various senior management roles with TSX listed Rio Narcea Gold Mines during a 10 year career with the company, including Plant Manager for El Valle/Carles process facility and Operations Manager prior to its acquisition by Lundin Mining in 2007. During this period, Mr Bellón was involved in the development, construction, commissioning and production phases of a number of mining operations in Spain and Mauritania including El Valle-Boinás / Carlés (open pit and underground gold-copper mines in northern Spain), Aguablanca (open pit nickel-copper mine in southern Spain) and Tasiast (currently Kinross' world class open pit gold mine in Mauritania). He subsequently joined Duro Felguera, a large Spanish engineering house, where as Manager of the Mining Business, he managed the peer review, construction and commissioning of a number of large scale mining operations in West Africa and South America in excess of US$1B.

Mr Bellón joined Berkeley Resources in May 2011.

Javier Colilla
Senior Vice President Corporate
Qualifications – Econ (Hons), LLB (Hons), MBA

Mr Colilla is a Mineral Economist and Lawyer. With prior experience in auditing and insurance sectors, he has over 25 years' experience in the mining sector commencing as the Managing Director of an international drilling company in the early 1980's. He subsequently worked for Anglo American as General Manager of their Spanish subsidiaries, whilst also contributing as international staff member to several projects in Europe and South America. Mr Colilla held various executive management roles during a long career with the TSX listed Rio Narcea Gold Mines, including Vice President Business Development, Chief Financial Officer, Senior Vice President Corporate, as well as Administrator/Director of its subsidiaries. During this period, he was involved in all aspects of commercial, legal and joint venture management, permitting, stakeholder engagement, government liaison and project financing for a number of mining operations in Spain and internationally including El Valle-Boinás / Carlés, Aguablanca and Tasiast. Following the acquisition of Rio Narcea Gold Mines by Lundin Mining in 2007, Mr Colilla consulted on renewable energies projects and advised several international leading legal firms in the areas of public aid financing (domestic and international) and due diligence exercises in relation to Spanish mining companies being acquired by multinational mining groups.

Mr Colilla joined Berkeley Resources in April 2010.

Mr Clint McGhie
Company Secretary and Chief Financial Officer
Qualifications – B.Com, CA, ACIS, FFin

Mr McGhie is a Chartered Accountant and Chartered Secretary. He commenced his career at a large international Chartered Accounting firm, before moving to commerce in the role of financial controller and company secretary. Mr McGhie now works in the corporate office of a number of public listed companies focussed on the resources sector.

Mr McGhie was appointed Company Secretary and Chief Financial Officer of Berkeley Resources Limited on 18 May 2012.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the year consisted of mineral exploration. There was no significant change in the nature of those activities.

EMPLOYEES

	2014	2013
The number of full time equivalent people employed by the Consolidated Entity at balance date	29	30

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2014 (2013: nil).

EARNINGS PER SHARE

	2014 Cents	2013 Cents
Basic loss per share	**(4.19)**	(6.24)
Diluted loss per share	**(4.19)**	(6.24)

CORPORATE STRUCTURE

Berkeley Resources Limited is a company limited by shares that is incorporated and domiciled in Australia. The Company has prepared a consolidated financial report including the entities it acquired and controlled during the financial year.

CONSOLIDATED RESULTS

	2014 $	2013 $
Loss of the Consolidated Entity before income tax	**(7,577,578)**	(11,145,447)
Income tax benefit/(expense)	**43,630**	(43,630)
Net loss	**(7,533,948)**	(11,189,077)
Net loss attributable to members of Berkeley Resources Limited	**(7,533,948)**	(11,189,077)

OPERATING AND FINANCIAL REVIEW

Berkeley is a uranium exploration and development company with a quality resource base in Spain. The Company is currently focussed on advancing its wholly owned flagship Salamanca Project ('the Project').

The Salamanca Project comprises the Retortillo, Alameda, Gambuta and Zona 7 deposits, plus a number of other Satellite deposits located in western Spain.

During the year, the Company completed a Preliminary Feasibility Study ('PFS') on the integrated development of Retortillo and Alameda, which clearly demonstrated the Project's potential to support a significant scale, long life uranium mining operation. The Company has subsequently commenced a Definitive Feasibility Study ('DFS') for the Project.

Operations

Highlights during, and subsequent to the end of, the financial year:

(i) Completion of the PFS confirming the technical and economic viability of the Salamanca Project, including:

- Steady state annual production of 3.3 million pounds U_3O_8 over a 7 year period, with average annual production of 2.7 million pounds U_3O_8 over an initial 11 year life of mine;
- Average operating costs (C1 cash costs) of US$24.60 per pound of U_3O_8 over the life of mine;
- Upfront capital cost of US$95.1 million to deliver initial production. A further US$74.4 million, incurred in the second year of production, to achieve steady state operation; and
- PFS considered a base case scenario, with strong potential to increase the production profile and/or mine life.

(ii) Commencement of the Salamanca Project DFS:

- DFS focussed on the integrated development of Retortillo and Alameda; and
- A number of work programs providing key inputs to the DFS, including detailed geological and structural mapping, hydrogeological studies, metallurgical testwork, and resource drilling at Retortillo, have commenced.

(iii) Environmental Licence for Retortillo granted:

- The Regional Government granted a Favourable Declaration of Environmental Impact ('Environmental Licence') for Retortillo following submission and extensive review of the Company's Environmental and Social Impact Assessment ('ESIA').

(iv) Exploitation Concession ('Mining Licence') for Retortillo granted:

- Valid for an initial period of 30 years, renewable for two further periods of 30 years;
- Covers an area of 25.2km^2 and includes the entire area containing the Retortillo deposit;
- Retortillo deposit forms part of the integrated Salamanca Project and is the first resource from which production is scheduled to commence; and
- With the grant of Mining Licence by the Regional Government, the approval processes associated with other key permits, including the Initial Authorisation of the process plant as a radioactive facility and the Exceptional Authorisation for Land Use (application for reclassification from rural to industrial use) of the affected surface land area at Retortillo, may now be finalised.

(v) Gambuta Scoping Study:

- Completion of a positive Scoping Study on the Gambuta deposit, enabling the Company to advance Gambuta to the next stage of evaluation;
- The Gambuta deposit, which is located approximately 145 kilometres southeast of Retortillo, has an Inferred Mineral Resource Estimate ('MRE') of 12.7 million tonnes at 394 ppm U_3O_8 for a total of 11.1 million pounds of U_3O_8 at a 200 ppm U_3O_8 cut-off grade (refer ASX September 2012 Quarterly Report); and
- Gambuta will ultimately be integrated with Retortillo and Alameda, with a view to potentially increasing the production scale and/or mine life of the Salamanca Project.

(vi) High Grade Mineralisation Intersected at Zona 7:

- Zona 7 is the largest of the Retortillo Satellite Deposits and currently hosts an Inferred MRE of 3.9 million tonnes averaging 414 ppm U_3O_8 for a contained 3.6 million pounds of U_3O_8 at a 200 ppm U_3O_8 cut-off grade (not including the results from the 2013 or 2014 drill programs - See ASX September 2012 Quarterly Report). It is located within 10 kilometres of the proposed location of the centralised processing plant at Retortillo;
- 2013 drill program intersected high grade mineralisation at shallow depths and extended the mineralisation a further 1,200 metres to the southwest of the current resource area;
- Better intercepts from the 2013 program included 29 metres @ 3,391 ppm U_3O_8, 17 metres @ 1,260 ppm U_3O_8, 15 metres @ 1,392 ppm U_3O_8, 25 metres @ 683 ppm U_3O_8 and 13 metres @ 1,161 ppm U_3O_8;
- A follow up drill program aimed at infilling the zone of mineralisation delineated by the 2013 program and extending it further along strike commenced in May 2014. The 2014 program was designed to close the broadly spaced 2013 drill pattern down to a notional 100 metre by 100 metre grid to facilitate the estimation of a revised Inferred MRE for Zona 7 in late 2014; and
- Results from the 2014 program received to date include 21 metres @ 3,101 ppm U_3O_8, 25 metres @ 2,005 ppm U_3O_8, 21 metres @ 1,535 ppm U_3O_8, 17 metres @ 1,517 ppm U_3O_8 and 16 metres @ 1,014 ppm U_3O_8.

Salamanca Project

Berkeley's flagship Salamanca Project comprises the Retortillo, Alameda, Gambuta and Zona 7 deposits, plus a number of other Satellite deposits located in western Spain.

Project Evaluation

Pre-Feasibility Study

In September 2013, the Company completed a PFS on the integrated development of Retortillo and Alameda, which clearly demonstrated the Salamanca Project's potential to support a significant scale, long life uranium mining operation (refer ASX announcement dated 26 September 2013).

Using only the current MRE for Retortillo and Alameda, which total 34.5 million pounds U_3O_8 (36.9 million tonnes at 424 ppm; 200 ppm U_3O_8 cut-off grade), as a base case scenario, the Project can support an average annual production of 3.3 million pounds of U_3O_8 during the seven years of steady state operation and 2.7 million pounds of U_3O_8 over a minimum eleven year mine life (refer ASX June 2014 Quarterly Report). There is strong potential to increase the production profile and/or mine life through the exploitation of additional resources held by the Company (totalling 27.1 million pounds U_3O_8) and with ongoing exploration work.

The PFS was based on open pit mining, heap leaching using on-off leach pads, a centralised process plant at Retortillo, and a remote ion exchange operation at Alameda, with loaded resin trucked to the centralised plant for final extraction and purification. The open pits are shallow (maximum depth of 135 metres) with low strip ratios (average 1:2.1 ore to waste for the Project over the life of mine). During steady state operation the annual ore processing rate is 5.5 million tonnes. Operating costs (C1 cash costs) average US$24.60 per pound U_3O_8 over the life of mine.

The initial capital cost (nominally ± 20% accuracy) for the Project is estimated at US$95.1 million. This cost is inclusive of all mine, processing, infrastructure and indirect costs required to develop and commence production at Retortillo. A further US$74.4 million of capital, incurred in the second year of production, is required to develop Alameda and achieve steady state operation. The Project's capital cost reflects the excellent existing infrastructure, use of heap leaching as the preferred processing route, and the favoured mining contractor scenario (no mining fleet capital expenditure).

Definitive Feasibility Study

A number of opportunities to further enhance the Project economics through capital and operating cost reductions were identified in the PFS. Prior to commencing the DFS, the Company undertook a comprehensive review of the PFS with a view to assessing these opportunities and defining key work programs to be incorporated into the final scope. Following finalisation of the Scope of Work, the key areas of focus for the DFS include:

- Resource infill drilling programs aimed at upgrading the classification of specific portions of the current Retortillo and Alameda MRE's to the Measured category;

OPERATING AND FINANCIAL REVIEW (Continued)

- Further metallurgical testwork programs, including additional column leach work (six metre columns – operational height), in combination with ion exchange ('IX') at Alameda and solvent extraction ('SX') and ammonium diuranate ('ADU') precipitation at Retortillo to generate more detailed information relating to the pH and acid consumption optimisation, design and sizing of the IX and SX units, and final product specification;
- Development of a Geo-Met model which will incorporate additional geological and metallurgical parameters into the resource block model to support metallurgical process modelling and mine planning and optimisation;
- Open pit optimisation, detailed mine design and production scheduling using the upgraded MRE block models;
- Enhanced design of the project infrastructure and site facilities;
- Undertaking engineering studies to support capital and operating cost estimates for the Project to a level of accuracy of nominally ±10%; and
- Undertaking an evaluation of the various alternatives for funding the development of the Project and the sale of future uranium production (including uranium marketing and off-take arrangements).

A number of work programs providing key inputs to the DFS, including the resource infill drilling program at Retortillo, the metallurgical testwork program, development of Geo-Met models and hydrogeological studies for both sites, were advanced late in the year.

Resource Drilling

The PFS was based solely on the MREs for Retortillo and Alameda (Table 1), prepared by Berkeley and reported in accordance with the JORC Code (2004).

The Alameda MRE was unchanged from that reported in July 2012 and was based on data from approximately 41,000 metres of historical diamond ('DD') drilling and 11,000 metres of DD and reverse circulation ('RC') drilling undertaken by Berkeley.

The Retortillo MRE was updated in September 2013 to incorporate the results of a 2013 RC infill drilling program which comprised 67 RC drill holes for 4,382 metres.

Table 1 - Summary of MREs used as the basis of the PFS

Retortillo and Alameda Mineral Resource Estimates – September 2013 Reported at a lower cut-off grade of 200 ppm U_3O_8				
	Category	**Tonnage** **(million tonnes)**	**Grade** **(U_3O_8 ppm)**	**Contained U_3O_8** **(million pounds)**
Retortillo	Indicated	14.4	378	12.0
	Inferred	1.8	359	1.4
	Sub Total	**16.2**	**376**	**13.4**
Alameda	Indicated	20.0	455	20.1
	Inferred	0.7	657	1.0
	Sub Total	**20.7**	**462**	**21.1**
Combined	Indicated	34.4	423	32.1
	Inferred	2.5	443	2.4
	Total	**36.9**	**424**	**34.5**

A comparison between the Retortillo September 2013 MRE and July 2012 MRE highlights the following:

- Total tonnes increased by 7% (16.2 million tonnes vs. 15.2 million tonnes);
- Average grade decreased by 2% (376 ppm U_3O_8 vs. 383 ppm U_3O_8);
- Total contained uranium increased by 5% (13.4 million pounds U_3O_8 vs. 12.8 million pounds U_3O_8); and
- Indicated Resources increased from 61% to 90% of total MRE.

These changes are largely attributable to the inclusion of the results of the 2013 infill drilling, which were mostly in line with expectations based on the previous July 2012 resource model, and they also confirmed that the mineralisation extends a further 200 metres to the northwest beyond the previous resource boundary.

Following completion of the detailed design of the infill drilling program for Retortillo for the DFS, activities including land owner authorisation, site access and drill site preparation were undertaken late in the year and drilling commenced in August 2014. The 2014 infill drilling program is aimed at upgrading the resource classification of the areas to be mined during the initial two years of the PFS production schedule to the Measured category.

Gambuta Scoping Study

During the year, the Company also completed a Scoping Study level evaluation ('the Study') of the Gambuta deposit. The Study was managed by Berkeley, with input from a number of industry recognised specialist consultants covering the key disciplines.

The Gambuta deposit, which is located approximately 145 kilometres southeast of Retortillo, has an Inferred MRE of 12.7 million tonnes at 394 ppm U_3O_8 for a total of 11.1 million pounds of U_3O_8 at a 200 ppm U_3O_8 cut-off grade (refer ASX September 2012 Quarterly Report).

The conceptual approach used in the Study was based on open pit mining, heap leaching, and a remote IX operation, with the loaded resin being trucked to the proposed centralised plant at Retortillo for final extraction and purification.

The geometry, average thickness and depth of the mineralisation make it amenable to shallow open pit mining with a low ore to waste strip ratio.

The results of the Study were positive and accordingly, the Company will advance Gambuta to the next stage of the evaluation. Gambuta will ultimately be integrated with Retortillo and Alameda, with a view to potentially increasing the production scale and/or mine life of the Salamanca Project.

Permitting

Significant progress was made with permitting during the year, with two major permitting milestones achieved for Retortillo.

In October 2013, the Regional Government of Castilla and León granted a Favourable Declaration of Environmental Impact ('Environmental Licence') for Retortillo.

The grant of the Environmental Licence followed substantial work over a 24 month period, including environmental and social baseline studies and culminating with the submission of the Environmental and Social Impact Assessment ('ESIA'), together with the Exploitation Plan and the Reclamation and Closure Plan for Retortillo.

The ESIA and associated documentation were subjected to extensive review by all relevant authorities and key stakeholders, including a 30 day Public Information Period, prior to the grant of the Environmental Licence. The Environmental Licence covers all mining and processing activities, including treatment of loaded resin transported to Retortillo from other deposits.

Key activities undertaken during the ESIA process, which was managed by Berkeley with input from a multi-disciplinary group of specialist consultants, included environmental baseline monitoring studies, census work to understand the flora and fauna within and around the tenement area, ecosystem and habitat sensitivity surveys, noise and air quality studies, surface and underground water studies, and extensive community engagement.

In April 2014, the Regional Government of Castilla and León granted the Exploitation Concession ('Mining Licence') for Retortillo. The Retortillo deposit forms part of the Salamanca Project and is the first resource from which production is scheduled to commence.

OPERATING AND FINANCIAL REVIEW (Continued)

The grant of the Mining Licence for Retortillo is a major milestone for the Company and follows the approval of Exploitation and Reclamation and Closure Plans for the proposed mining operation submitted by Berkeley, and the completion of a number of studies and technical review sessions with relevant government agencies. The granting of the Mining Licence has also taken into account the prerequisite approval of the Company's ESIA by the environmental authorities, and the favourable recommendation report issued by the Nuclear Safety Council.

The Mining Licence is valid for an initial period of 30 years and may be renewed for two additional periods of 30 years. It covers an area of 25.2km^2 and includes the entire area containing the Retortillo MRE.

With the grant of the Mining Licence, the approval processes associated with other key permits including the Initial Authorisation of the process plant as a radioactive facility and the Exceptional Authorisation for Land Use (application for reclassification from rural to industrial use) of the affected surface land area at Retortillo, may now be finalised.

The key documents required for the next phase of permitting at Alameda were submitted to the relevant authorities during the year. These included a revised version of the Environmental Scoping Document ('ESD') which was updated to incorporate the results from the PFS and inputs from the granting of the Environment and Mining Licenses for Retortillo.

Exploration

Zona 7

A comprehensive review of all available data for the tenements surrounding the Company's existing resources, undertaken in early 2013, identified the potential extension of Zona 7 to the southwest as a priority drill target.

Zona 7 is located approximately 10 kilometres to the northwest of the proposed location of the centralised processing plant at Retortillo and currently hosts an Inferred MRE of 3.9 million tonnes averaging 414 ppm U_3O_8 for a contained 3.6 million pounds of U_3O_8 at a lower cut-off grade of 200 ppm U_3O_8 (refer ASX June 2012 Quarterly Report).

An 18 hole, 1,133 metre RC drill program was subsequently completed in mid-2013 to test this priority target. Assay results returned from this drilling program in August 2013 confirmed that the Zona 7 mineralisation extends a further 1,200 metres to the southwest of the current resource area. The drilling, which was carried out on an approximately 400 metre by 100 metre grid, essentially doubled the strike extent of the mineralised zone and it remains open. Significant high grade intersections were recorded at shallow depths (from 9 metres to a maximum depth of 84 metres), with thicknesses up to 29 metres. Better intercepts included 29 metres @ 3,391 ppm U_3O_8, 17 metres @ 1,260 ppm U_3O_8, 15 metres @ 1,392 ppm U_3O_8, 25 metres @ 683 ppm U_3O_8 and 13 metres @ 1,161 ppm U_3O_8 (refer ASX announcement dated 7 August 2013).

A follow-up drill program in 2014, comprising 44 RC holes for approximately 3,100 metres and three DD holes for approximately 300 metres, was aimed at infilling the zone of mineralisation defined by the 2013 drilling and extending it further along strike. The program was designed to close the broadly spaced 2013 drill pattern down to a notional 100 metre by 100 metre grid to facilitate the estimation of a revised Inferred Mineral Resource for the prospect.

The 2014 program will be completed in September.

Results from the 2014 program received to date include 21 metres @ 3,101 ppm $U_3O_{8,}$ 25 metres @ 2,005 ppm $U_3O_{8,}$ 21 metres @ 1,535 ppm $U_3O_{8,}$ 17 metres @ 1,517 ppm U_3O_8 and 16 metres @ 1,014 ppm U_3O_8. These results have shown that there is good continuity of the mineralised zone, both in terms of thickness and grade, between the previous broader spaced holes. Significant high grade intersections have been recorded at shallow depths (from surface to a maximum depth of 73 metres), with thicknesses up to 25 metres.

The data obtained from both the 2013 and 2014 drilling programs will form the basis for an upgraded Inferred Mineral Resource for Zona 7, anticipated to be completed in the December 2014 quarter.

A summary of all resource and exploration drilling completed by Berkeley during the year is presented in the following table.

Table 2: 2013/2014 Drilling Summary

	Diamond		RC		Total	
	Holes	Metres	Holes	Metres	Holes	Metres
Retortillo	-	-	-	-	-	-
Alameda	-	-	-	-	-	-
Zona 7	-	-	32	2081	32	2081
Total	**-**	**-**	***32***	***2081***	***32***	***2081***

Results of Operations

The Consolidated Entity's net loss after tax for the year ended 30 June 2014 was $7,533,948 (2013: $11,189,077). This loss is partly attributable to:

(i) Exploration and evaluation expenses of $6,935,123 (2013: $11,999,142), which is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure incurred subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies for each separate area of interest.

The reduced exploration and evaluation expenditure in the year ended 30 June 2014 is a reflection of the activities undertaken during the year, including a period of internal review following the release of the PFS in September 2013, and an ongoing focus on cost control across all areas of the business.

(ii) Share based payments expense of $809,174 (2013: $417,918) was recognised in respect of incentive securities granted to directors, employees and key consultants. The Company expenses the incentive securities over the vesting period.

The Consolidated Entity also recognised interest income of $825,297 (2013: $1,509,713), and a rebate of $338,074 (2013: $737,198) was received in respect of R&D activities undertaken in Australia. The reduction in interest income reflects the reduced average cash position from 2013 to 2014 and a general reduction in interest rates from 2013 to 2014.

Financial Position

At 30 June 2014, the Group had cash reserves of A$20.2 million, with no debt. This puts the Group in a strong financial position as it looks to complete the DFS and progress the development of the Salamanca Project. The Company continues to maintain a strong focus on cost control across all areas of the business

The Group had net assets of $35,582,008 at 30 June 2014 (2013: $42,136,600), a decrease of $6,554,592 or approximately 15.5% compared with the previous year. This decrease is consistent with the reduced cash balance and is largely attributable to the comprehensive loss for the year, comprising: (i) the current year's net loss after income tax, and (ii) the foreign exchange gain arising on the translation of the Group's foreign operations.

The increase in the Exploration Expenditure asset from $14,173,930 at 30 June 2013 to $14,268,990 at 30 June 2014 is attributed to the devaluation of the Australian dollar (AUD) against the Euro, with approximately $8.53 million (€6.0million) of the Exploration asset denominated in Euro and revalued in AUD at each balance date.

The decrease in trade creditors from $2,172,953 at 30 June 2013 to $1,094,791 is a reflection of a lower level of activity at the end of 2014 as the Company commences the DFS. This is compared to the end of 2013 when the Company was actively in the process of completing the PFS.

OPERATING AND FINANCIAL REVIEW (Continued)

Business Strategies and Prospects for Future Financial Years

Berkeley's strategic objective is to create long-term shareholder value by becoming a uranium producer in the medium term, through the ongoing exploration, appraisal and development of its flagship Salamanca Project located in Spain.

The Company has a 100% interest in a total Mineral Resource estimated at 61.6 million pounds of contained U_3O_8 (65.4 million tonnes at 427 ppm U_3O_8 at a cut-off grade of 200 ppm U_3O_8) but has not to date defined Ore Reserves in accordance with the JORC Code, nor has it commenced production. To achieve its strategic objective, the Company currently has the following business strategies and prospects over the medium term:

- Completion of a DFS for the Salamanca Project;
- Commence evaluation of project finance options;
- Continue the permitting process with a view to obtaining all necessary permits and licences for construction and production in a timely fashion;
- Subject to the results of a positive DFS, obtaining all necessary permits and licences and project financing, advance the Salamanca Project through the development and construction phases and into production;
- Continue to explore its portfolio of tenements in Spain with a view to growing the resource base and potentially providing additional production sources to incorporate into the Salamanca Project; and
- Continue to assess new uranium and other business opportunities which can enhance shareholder value.

As with any other mining project, all of these activities are inherently risky and the Board is unable to provide certainty that any or all of these activities will be able to be achieved. The material business risks faced by the Company that are likely to have an effect on the Company's future prospects, and how the Company manages these risks, include:

- The exploration for, and development of, mineral deposits involves a high degree of risk. The ultimate development of the Company's project into a producing mine is dependent on a number of factors, including; successful studies, obtaining all necessary permits and licences, and subsequently the required project financing.

  To mitigate this risk, the Company has undertaken systematic and staged exploration and testing programs, and a number of technical and economic studies with respect to the Salamanca Project. Further studies, including a DFS, will also be completed prior to advancing the Salamanca Project to the construction phase and into production.

  The construction phase of the Company's Project will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of any development of the Project. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

  The successful development of the Company's Project will also be dependent on the granting of all permits necessary for the construction and production phases. As with any exploration and development project, there is no guarantee that the Company will be successful in applying for and maintaining all required permits and licences to commence construction and subsequently enter into production;

- The Company may be adversely affected by fluctuations in commodity prices. The price of uranium fluctuates widely and is affected by numerous factors beyond the control of the Company. Future production from the Company's Project will be dependent upon the price of uranium being adequate to make these properties economic. The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk, but as the Company's Project advances, this policy will be reviewed periodically; and

- Global financial conditions may adversely affect the Company's growth and profitability. Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and energy markets, and a lack of market liquidity. A slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed below, there were no significant changes in the state of affairs of the Consolidated Entity during the year.

- In September 2013, the Company completed the PFS confirming the technical and economic viability of the Salamanca Project and its potential to support a significant scale, long life, low cost uranium operation. Using only the MRE for Retortillo and Alameda, the PFS is considered a base case scenario with strong potential to increase the production profile and/or mine life through the exploitation of additional resources held by the Company and with ongoing exploration work.
- In October 2013, the Regional Government of Castilla and León granted a Favourable Declaration of Environmental Impact (‘Environmental Licence’) for Retortillo following submission and extensive review of the Company’s Environmental and Social Impact Assessment.
- On 31 December 2013, the Company issued 968,000 fully paid ordinary shares following the conversion of 968,000 Tranche 1 Performance Share Rights upon satisfaction of the PFS milestone.
- The Company granted 490,000 Performance Share Rights to employees and consultants of the Company on 28 March 2014.
- In April 2014, a major permitting milestone was achieved with the grant of the Exploitation Concession (‘Mining Licence’) for Retortillo by the Regional Government of Castilla and León. The Retortillo deposit forms part of the Salamanca Project and is the first resource from which production is scheduled to commence.

SIGNIFICANT POST BALANCE DATE EVENTS

As at the date of this report there are no matters or circumstances, which have arisen since 30 June 2014 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2014, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2014, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2014, of the Consolidated Entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Consolidated Entity during the financial year.

In September 2012, Berkeley qualified for certification in accordance with ISO 14001 of Environmental Management, which sets out the criteria for an environmental management system, and UNE 22480 of Sustainable Mining Management, which allows for the systematic monitoring and tracking of sustainability indicators, and is useful in the establishment of targets for constant improvement.

INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF BERKELEY

	Interest in Securities at the Date of this Report		
Current Directors	**Ordinary Shares(i)**	**$0.45 Unlisted Options(ii)**	**Performance Rights(iii)**
Ian Middlemas	5,300,000	4,000,000	-
James Ross	415,000	-	300,000
Robert Behets	1,240,000	1,000,000	720,000

Notes

(i) “Ordinary Shares” means fully paid ordinary shares in the capital of the Company.

(ii) “$0.45 Unlisted Options” means an option to subscribe for 1 Ordinary Share in the capital of the Company at an exercise price of $0.45 each on or before 30 June 2016.

(iii) “Performance Rights” means the right to subscribe to 1 Ordinary Share in the capital of the Company upon the completion of specific performance milestones by the Company.

SHARE OPTIONS AND PERFORMANCE RIGHTS

At the date of this report the following Options and Performance Rights have been issued over unissued Ordinary Shares of the Company:

- 1,000,000 Unlisted Options at an exercise price $0.41 each that expire on 21 September 2015.
- 1,750,000 Unlisted Options at an exercise price of $0.475 each that expire on 22 December 2015.
- 5,500,000 Unlisted Options at an exercise price of $0.45 each that expire on 30 June 2016.
- 1,118,000 Performance Rights at no exercise price that expire on 30 June 2015.
- 1,478,000 Performance Rights at no exercise price that expire on 31 December 2016.
- 1,598,000 Performance Rights at no exercise price that expire on 31 December 2017.

These Options do not entitle the holders to participate in any share issue of the Company or any other body corporate. During the financial year, there were 968,000 new shares issued as a result of the exercise of Performance Rights, and no new shares issued as a result of the exercise of Unlisted Options. There were 35,000 Unlisted Options that lapsed (forfeited) and 2,826,666 Unlisted Options that expired during the year. Since 30 June 2014, there have been no shares issued as a result of the exercise of Unlisted Options or Performance Rights on issue.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2014, and the number of meetings attended by each director.

	Board Meetings Number Eligible to Attend	Board Meetings Number Attended
Current Directors		
Ian Middlemas	3	3
James Ross	3	3
Robert Behets	3	3

REMUNERATION REPORT (AUDITED)

This report details the amount and nature of remuneration of each director and ex

Details of Key Management Personnel

The Key Management Personnel ('KMP') of the Group during or since the end of the financial year were as follows:

Directors	
Mr Ian Middlemas	Chairman
Dr James Ross	Non-Executive Deputy Chairman
Mr Robert Behets	Non-Executive Director
Other KMP	
Mr Francisco Bellón del Rosal	General Manager Operations
Mr Javier Colilla Peletero	Senior Vice President Corporate
Mr Clint McGhie	Chief Financial Officer and Company Secretary

There were no other key management personnel of the Company or the Group. Unless otherwise disclosed, the Key Management Personnel held their position from 1 July 2013 until the date of this report.

Remuneration Policy

The remuneration policy for the Group's KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for key management personnel:

- the Group is currently focused on undertaking exploration and development activities with a view to expanding and developing its resources. In line with the Group's accounting policy, all exploration expenditure up to and including the preparation of a definitive feasibility study is expensed. The Group continues to examine new business opportunities in the energy and resources sector;
- risks associated with resource companies whilst exploring and developing projects; and
- other than profit which may be generated from asset sales (if any), the Group does not expect to be undertaking profitable operations until sometime after the successful commercialisation, production and sales of commodities from one or more of its current projects, or the acquisition of a profitable mining operation.

Remuneration Policy for Executives

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component (options, performance rights and a cash bonus, see below). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning KMP objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Non-cash benefits may include provision of motor vehicles, housing and health care benefits.

Fixed remuneration is reviewed annually by Board. The process consists of a review of Company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

REMUNERATION REPORT (AUDITED) (Continued)

Performance Based Remuneration – Short Term Incentive

Some KMP are entitled to an annual cash bonus upon achieving various key performance indicators ('KPI's'), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as successful completion of exploration activities (e.g. completion of exploration programs within budgeted timeframes and costs), development activities (e.g. completion of feasibility studies), corporate activities (e.g. recruitment of key personnel) and business development activities (e.g. project acquisitions and capital raisings). On an annual basis, after consideration of performance against key performance indicators, the Board determines the amount, if any, of the annual cash bonus to be paid to each KMP.

During the 2014 financial year, a total bonus sum of $73,888 (2013: $50,326) was paid to KMP.

Performance Based Remuneration – Long Term Incentive

The Group has adopted a long-term incentive plan ('LTIP') comprising the 'Berkeley Performance Rights Plan' (the 'Plan') to reward KMP and key employees for long-term performance. Shareholders approved the Plan in April 2013 at a General Meeting of Shareholders and Performance Rights were issued under the Plan in May 2013. An additional 490,000 Performance Rights were issued on 28 March 2014.

The Plan provides for the issuance of unlisted performance share rights ('Performance Rights') which, upon satisfaction of the relevant performance conditions attached to the Performance Rights, will result in the issue of an Ordinary Share for each Performance Right. Performance Rights are issued for no consideration and no amount is payable upon conversion thereof.

To achieve its corporate objectives, the Company needs to attract and retain its key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the Plan will:

(a) enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;

(b) enable the Company to recruit, incentivise and retain additional key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;

(c) link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;

(d) align the financial interest of participants of the Plan with those of Shareholders; and

(e) provide incentives to participants of the Plan to focus on superior performance that creates Shareholder value.

Performance Rights granted under the Plan to eligible participants will be linked to the achievement by the Company of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

During the financial year, Performance Rights with various expiry dates ranging from 30 June 2015 to 31 December 2017 were granted to certain KMP and other employees that vest upon various performance conditions set by the Company.

Prior to the adoption of the Plan, the Board had chosen to issue incentive options to KMP as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the KMP and to provide an incentive linked to the performance of the Company.

The Board had a policy of granting options to KMP with exercise prices at and/or above market share price (at time of agreement). As such, incentive options granted to KMP would generally only be of benefit if the KMP performed to the level whereby the value of the Company increased sufficiently to warrant exercising the incentive options granted.

Other than service-based vesting conditions, there were no additional performance criteria on the incentive options granted to KMP, as given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered the performance of the KMP and the performance and value of the Company were closely related.

Impact of Shareholder Wealth on Key Management Personnel Remuneration

During the Group's exploration and development phases of its business, the Board anticipates that the Company will retain future earnings (if any) and other cash resources for the operation and development of its business. Accordingly the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Board does not directly base remuneration levels on the Company's share price or movement in the share price over the financial year and the previous four financial years. Discretionary annual cash bonuses are based upon achieving various non-financial KPI as detailed under 'Performance Based Remuneration – Short Term Incentive' and are not based on share price or earnings. As noted above, a number of Key Management Personnel have also been granted Performance Rights and options, which generally will be of greater value should the value of the Company's shares increase (subject to vesting conditions being met), and in the case of options, increase sufficiently to warrant exercising the incentive options granted.

Impact of Earnings on Key Management Personnel Remuneration

As discussed above, the Group is currently undertaking exploration and development activities, and does not expect to be undertaking profitable operations until sometime after the successful commercialisation, production and sales of commodities from one or more of its current projects.

Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Remuneration Policy for Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, incentive options have been used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors have received Performance Rights and incentive options in order to secure their services and as a key component of their remuneration.

General

Where required, KMP receive superannuation contributions (or foreign equivalent), currently equal to 9.25% of their salary (increased to 9.5% from 1 July 2014), and do not receive any other retirement benefit. From time to time, some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to KMP is valued at cost to the company and expensed. Incentive options are valued using the Binomial option valuation methodology and validated by the Black Scholes option pricing model. The value of these incentive options is expensed over the vesting period. The fair value of the Performance Rights granted is estimated as at the date of grant using the seven day volume weighted average share price prior to issuance. The value of the Performance Right is expensed over the vesting period.

DIRECTORS' REPORT
30 JUNE 2014
(Continued)

REMUNERATION REPORT (AUDITED) (Continued)

Key Management Personnel Remuneration

Details of the nature and amount of each element of the remuneration of each Director and other KMP of the Company or Group for the financial year are as follows:

	Short-term Benefits							
2014	Salary & Fees $	Post Employ-ment Benefits $	Cash Bonus $	Share-Based Payments $	Other Non-Cash Benefits(3) $	Total $	Percentage of Total Remunerat-ion that Consists of Options/ Rights %	Percent-age Performance Related %
Directors								
Ian Middlemas	50,000	-	-	-	-	50,000	-	-
James Ross	50,000	-	-	59,235	-	109,235	54.23	54.23
Robert Behets(1)	253,400	-	-	142,163	-	395,563	35.94	35.94
Other KMP								
Francisco Bellón del Rosal	280,774	19,710	36,944	113,383	47,776	498,587	22.74	30.15
Javier Colilla Peletero	280,768	17,520	36,944	152,902	17,028	505,162	30.27	37.58
Clint McGhie(2)	-	-	-	106,623	-	106,623	100.00	100.00
Total	**914,942**	**37,230**	**73,888**	**574,306**	**64,804**	**1,665,170**		

Notes

(1) Mr Behets received Directors fees of $50,000 and consulting fees of $203,400 for additional services provided to the company;
(2) Mr McGhie provides services as the Company Secretary and Chief Financial Officer through a services agreement between Berkeley and Apollo Group Pty Ltd. Under the agreement, Apollo Group Pty Ltd provides administrative, company secretarial and accounting services, and the provision of a fully serviced office to the Company for a monthly retainer of $24,000 (2013: $24,000); and
(3) Other Non-Cash Benefits includes payments made for housing and car benefits.

	Short-term Benefits							
2013	Salary & Fees $	Post Employ-ment Benefits $	Cash Bonus $	Share-Based Payments $	Other Non-Cash Benefits(5) $	Total $	Percentage of Total Remunerat-ion that Consists of Options/ Rights %	Percent-age Performance Related %
Directors								
Ian Middlemas	100,000	-	-	-	-	100,000	-	-
James Ross	50,000	-	-	17,423	-	67,423	25.84	25.84
Robert Behets(1)	206,600	-	-	41,816	-	248,416	16.83	16.83
Jose Ramon Esteruelas(2)	24,726	-	-	-	-	24,726	-	-
Matthew Syme(3)	4,484	-	-	-	-	4,484	-	-
Other KMP								
Francisco Bellón del Rosal	250,258	15,601	25,163	94,877	21,710	407,609	23.28	29.45
Javier Colilla Peletero	234,550	13,851	25,163	113,991	10,404	397,959	28.64	34.97
Clint McGhie(4)	-	-	-	31,362	-	31,362	100.00	100.00
Total	**870,618**	**29,452**	**50,326**	**299,469**	**32,114**	**1,281,979**		

Notes

(1) Mr Behets received Directors fees of $50,000 and consulting fees of $156,600 for additional services provided to the company;
(2) Mr Esteruelas resigned as a Non-Executive Director of the Company on 29 November 2012;
(3) Mr Syme resigned as a Non-Executive Director of the Company on 2 August 2012;
(4) Mr McGhie provides services as the Company Secretary and Chief Financial Officer through a services agreement between Berkeley and Apollo Group Pty Ltd. Under the agreement, Apollo Group Pty Ltd provides administrative, company secretarial and accounting services, and the provision of a fully serviced office to the Company for a monthly retainer of $24,000 (2012: $24,000); and
(5) Other Non-Cash Benefits includes payments made for housing and car benefits.

Options and Performance Rights Granted to KMP

There were no Unlisted Options or Performance Rights granted to Key Management Personnel during the year ended 30 June 2014.

Details of Unlisted Options and Performance Rights granted by the Company to each Key Management Personnel of the Group during the year ended 30 June 2013 are as follows:

2013	Options/ Rights[1]	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $	No. Granted	Total Value of Options / Rights Granted $	No. Vested at 30 June 2013	No. Vested at 30 June 2014
Directors									
James Ross	Rights	12-Apr-13	30-Jun-14	-	0.309	100,000	30,900	-	100,000
James Ross	Rights	12-Apr-13	30-Jun-15	-	0.309	100,000	30,900	-	-
James Ross	Rights	12-Apr-13	31-Dec-16	-	0.309	100,000	30,900	-	-
James Ross	Rights	12-Apr-13	31-Dec-17	-	0.309	100,000	30,900	-	-
Robert Behets	Rights	12-Apr-13	30-Jun-14	-	0.309	240,000	74,160	-	240,000
Robert Behets	Rights	12-Apr-13	30-Jun-15	-	0.309	240,000	74,160	-	
Robert Behets	Rights	12-Apr-13	31-Dec-16	-	0.309	240,000	74,160	-	
Robert Behets	Rights	12-Apr-13	31-Dec-17	-	0.309	240,000	74,160	-	
Other KMP									
Francisco Bellón del Rosal	Rights	12-Apr-13	30-Jun-14	-	0.309	100,000	30,900	-	100,000
Francisco Bellón del Rosal	Rights	12-Apr-13	30-Jun-15	-	0.309	100,000	30,900	-	-
Francisco Bellón del Rosal	Rights	12-Apr-13	31-Dec-16	-	0.309	200,000	61,800	-	-
Francisco Bellón del Rosal	Rights	12-Apr-13	31-Dec-17	-	0.309	250,000	77,250	-	-
Javier Colilla Peletero	Options	9-Nov-12	22-Dec-15	0.475	0.210	750,000	157,500	-	375,000
Javier Colilla Peletero	Rights	12-Apr-13	30-Jun-14	-	0.309	100,000	30,900	-	100,000
Javier Colilla Peletero	Rights	12-Apr-13	30-Jun-15	-	0.309	100,000	30,900	-	-
Javier Colilla Peletero	Rights	12-Apr-13	31-Dec-16	-	0.309	200,000	61,800	-	-
Javier Colilla Peletero	Rights	12-Apr-13	31-Dec-17	-	0.309	250,000	77,250	-	-
Clint McGhie	Rights	12-Apr-13	30-Jun-14	-	0.309	180,000	55,620	-	180,000
Clint McGhie	Rights	12-Apr-13	30-Jun-15	-	0.309	180,000	55,620	-	-
Clint McGhie	Rights	12-Apr-13	31-Dec-16	-	0.309	180,000	55,620	-	-
Clint McGhie	Rights	12-Apr-13	31-Dec-17	-	0.309	180,000	55,620	-	-

Notes

(1) For details on the valuation of the Unlisted Options and Performance Rights, including models and assumptions used, please refer to Note 17 to the financial statements.

REMUNERATION REPORT (AUDITED) (Continued)

Details of the value of options and rights granted, exercised or lapsed for each Key Management Person of the Company or Group during the financial year are as follows:

2014	Value of options/ rights granted during the year[1] $	Value of options/ rights exercised during the year $	Value of options/ rights lapsed during the year $	Value of options/ rights included in remuneration for the year $	Percentage of remuneration that consists of options/ rights %
Directors					
James Ross	-	25,230[1]	-	59,235	54.23
Robert Behets	-	60,552[1]	-	142,163	35.94
Other KMP					
Francisco Bellón del Rosal	-	25,230[1]	-	113,383	22.74
Javier Colilla Peletero	-	25,230[1]	-[2]	152,902	30.27
Clint McGhie	-	45,414[1]	-	106,623	100.00

Notes

(1) On 31 December 2013, Performance Rights expiring 30 June 2014 were exercised. The value of the Performance Rights exercised is calculated using the 5 day VWAP on 18 December 2013 ($0.2523), which was the date that the performance milestone was considered to be satisfied; and

(2) 1,000,000 Unlisted Options with an exercise price of $1.35 expired on 18 June 2014.

2013	Value of options/ rights granted during the year[1] $	Value of options/ rights exercised during the year $	Value of options/ rights lapsed during the year $	Value of options/ rights included in remuneration for the year $	Percentage of remuneration that consists of options/ rights %
Directors					
James Ross	123,600	-	-[2]	17,423	25.84
Robert Behets	296,640	-	-	41,816	16.83
Jose Ramon Esteruelas[3]	-	-	-[2]	-	-
Matthew Syme[4]	-	-	-[5]	-	-
Other KMP					
Francisco Bellón del Rosal	200,850	-	-	94,877	23.28
Javier Colilla Peletero	358,350	-	-	113,991	28.64
Clint McGhie	222,480	-	-	31,362	100.00

Notes

(1) For details on the valuation of the options and rights, including models and assumptions used, please refer to Note 17 to the financial statements;

(2) 250,000 Listed Options exercisable at $0.75 expired on 15 May 2013;

(3) Señor Esteruelas resigned as a Non-Executive Director of the Company on 29 November 2012;

(4) Mr Syme resigned as a Non-Executive Director of the Company on 2 August 2012; and

(5) 1,000,000 Listed Options exercised at $0.75 expired on 15 May 2013.

Employment Contracts with Directors and Executive Officers

Current Directors

From the date of his appointment, Mr Ian Middlemas received a fixed remuneration component of $100,000 per annum inclusive of superannuation which is the amount previously set by the Board for the position of Chairman. Effective from 1 July 2013, the fee for the Chairman has been reduced to $50,000 per annum inclusive of superannuation.

Dr James Ross, Non-Executive Director, has a letter of engagement with Berkeley Resources Limited that was last updated on 15 January 2011 when he was appointed Chairman. Following the appointment of Mr Ian Middlemas as Chairman on 27 April 2012, Dr Ross became the Deputy Chairman of the Company. From 27 April 2012, Dr Ross receives a fixed remuneration component of $50,000 per annum inclusive of superannuation as previously set by the Board for Non-Executive Directors. The letter of engagement also includes a consultancy arrangement which provides for a consultancy fee at the rate of $1,200 per day for technical geological work done. The consultancy arrangement has a rolling term and may be terminated by the Company by giving 1 months' notice.

Dr Ross was granted the following Performance Rights following Shareholder approval on 12 April 2013:

- 100,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2014 (exercised on 31 December 2013);
- 100,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2015;
- 100,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2016; and
- 10,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2017.

Mr Robert Behets has a services agreement with the Company dated 18 June 2012, which provides for a consultancy fee at the rate of $1,200 per day for management and technical services provided by Mr Behets. Either party may terminate the agreement without penalty or payment by giving 2 months' notice. In addition, Mr Behets also receives the fixed remuneration component of $50,000 per annum inclusive of superannuation as previously set by the Board for Non-Executive Directors.

Mr Behets was granted the following Performance Rights following Shareholder approval on 12 April 2013:

- 240,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2014 (exercised on 31 December 2013);
- 240,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2015;
- 240,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2016; and
- 240,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2017.

Current other KMP

Mr Francisco Bellón, has a contract of employment dated 14 April 2011 and amended on 1 July 2011. The contract specifies the duties and obligations to be fulfilled by the General Manager Operations. The contract has a rolling term and may be terminated by the Company giving 6 months notice, or 12 months in the event of a change of control of the Company. No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Bellón receives a fixed remuneration component of €190,000 per annum plus compulsory social security contributions regulated by Spanish law, as well as the provision of accommodation in Salamanca and a motor vehicle.

The Board granted Mr Bellón 1,000,000 Unlisted Options exercisable at $0.41 each on or before 21 September 2015 under the employee share option scheme. These Options vest in three equal tranches on 21 September 2012, 21 September 2013 and 21 September 2014.

Mr Bellón was also granted the following Performance Rights:

- 100,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2014 (exercised on 31 December 2013);

REMUNERATION REPORT (AUDITED) (Continued)

- 100,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2015;
- 200,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2016; and
- 250,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2017.

All performance rights vest after the achievement of various milestones as approved in the Berkeley Resources Limited Employee Performance Rights Plan.

Mr Javier Colilla Peletero, has a contract of employment dated 1 July 2010. The contract specifies the duties and obligations to be fulfilled by the Senior Vice President Corporate. The contract has a rolling term and may be terminated by the Company giving 3 months notice, or 12 months in the event of a change of control of the Company or if the appointment becomes redundant. No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Colilla receives a fixed remuneration component of €190,000 per annum plus compulsory social security contributions regulated by Spanish law, as well as an allowance for the use of his private motor vehicle.

The Board has granted Mr Colilla 750,000 Incentive Options exercisable at $0.475 each. These Options vest in two equal tranches on 12 December 2013 and 12 December 2014 and expire on 22 December 2015.

Mr Colilla was also granted the following Performance Rights:

- 100,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2014 (exercised on 31 December 2013);
- 100,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2015;
- 200,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2016; and
- 250,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2017.

All Performance Rights vest after the achievement of various milestones as approved in the Berkeley Resources Limited Employee Performance Rights Plan.

Equity instruments held by Key Management Personnel

Option and Performance Right holdings of Key Management Personnel

2014	Held at 1 July 2013	Granted as Compen -sation	Options exercised/ Rights Converted	Net Other Changes	Held at 30 June 2014	Vested and exercise-able at 30 June 2014
Directors						
Ian Middlemas	4,000,000	-	-	-	4,000,000	4,000,000
James Ross	400,000	-	(100,000)	-	300,000	-
Robert Behets	1,960,000	-	(240,000)	-	1,720,000	1,000,000
Executives						
Francisco Bellón del Rosal	1,650,000	-	(100,000)	-	1,550,000	666,666
Javier Colilla Peletero	2,400,000	-	(100,000)	(1,000,000)(1)	1,300,000	375,000
Clint McGhie	720,000	-	(180,000)	-	540,000	-

Notes

(1) 1,000,000 Unlisted Options granted to Mr Colilla expired on 18 June 2014.

Shareholdings of Key Management Personnel

2014	Held at 1 July 2013	Granted as Compen-sation	Options exercised / Rights converted	Net Other Changes	Held at 30 June 2014
Directors					
Ian Middlemas	5,300,000	-	-	-	5,300,000
James Ross	315,000	-	100,000	-	415,000
Robert Behets	1,000,000	-	240,000	-	1,240,000
Executives					
Francisco Bellón del Rosal	103,200	-	100,000	-	203,200
Javier Colilla Peletero	350,000	-	100,000	-	450,000
Clint McGhie	-	-	180,000	-	180,000

Loans from Key Management Personnel

No loans were provided to or received from KMP during the year ended 30 June 2014 (2013: Nil).

End of Remuneration Report.

AUDITOR'S AND OFFICERS' INDEMNITIES AND INSURANCE

Under the Constitution the Company is obliged, to the extent permitted by law, to indemnify an officer (including Directors) of the Company against liabilities incurred by the officer in that capacity, against costs and expenses incurred by the officer in successfully defending civil or criminal proceedings, and against any liability which arises out of conduct not involving a lack of good faith.

During the financial year, the Company has paid an insurance premium to insure Directors and officers of the Company against certain liabilities arising out of their conduct while acting as a Director or Officer of the Company. The net premium paid was $17,472 (2013: $18,098). Under the terms and conditions of the insurance contract, the nature of liabilities insured against cannot be disclosed.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify an auditor of the Company or of any related body corporate against any liability incurred.

NON-AUDIT SERVICES

There were no non-audit services provided by the auditor (or by another person or firm on the auditor's behalf) during the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on page 77 of the Annual Financial Report.

This report is made in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

For and on behalf of the Directors

ROBERT BEHETS
Non-Executive Director

25 September 2014

Competent Persons Statement

The information in this announcement that relates to 2014 Exploration Results is extracted from Berkeley's ASX announcement dated 18 August 2014 which is available to view on www.berkeleyresources.com.au. The information in the original ASX Announcement was based on information compiled by Robert Behets, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr. Behets is a holder of shares, options and performance rights in, and is a director of Berkeley Resources Limited. Mr. Behets has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this announcement that relates to earlier Exploration Results and Mineral Resources is extracted from Berkeley's ASX announcements dated 31 July 2012 (June 2012 Quarterly Report), 31 October 2012 (September 2012 Quarterly Report), 7 August 2013 and 26 September 2013 which are available to view on Berkeley's website at www.berkeleyresources.com.au. The information in the original ASX announcements was based on information compiled by Craig Gwatkin, who is a Member of The Australian Institute of Mining and Metallurgy and was an employee of Berkeley Resources Limited. Mr. Gwatkin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Gwatkin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this Report that relates to the Pre-Feasibility Study is extracted from Berkeley's ASX announcement dated 26 September 2013 which is available to view on Berkeley's website at www.berkeleyresources.com.au. The information in the original ASX announcement was based on information compiled by Neil Senior of SENET (Pty) Ltd. Mr. Senior is a Fellow of The South African Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Senior consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Production Target

The Production Target stated in this Report is based on the Company's Pre-Feasibility Study ('PFS') for the Salamanca Project as released to the ASX on 26 September 2013. The information in relation to the Production Target that the Company is required to include in a public report in accordance with ASX Listing Rule 5.16 was included in the Company's June 2014 Quarterly Report released to the ASX on 24 July 2014.

The Company confirms that the material assumptions underpinning the PFS and Production Target referenced in the 26 September 2013 and 24 July 2014 releases continue to apply and have not materially changed.

Forward Looking Statement

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company 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 the Company's mineral properties.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Revenue from continuing operations	2	**1,163,371**	**2,246,911**
Corporate and administration expenses		(996,652)	(975,298)
Exploration and evaluation expenses		(6,935,123)	(11,999,142)
Share-based payments	3(b)	(809,174)	(417,918)
Loss before income tax benefit/ (expense)		**(7,577,578)**	**(11,145,447)**
Income tax benefit/ (expense)	4	43,630	(43,630)
Loss after income tax benefit/ (expense)		**(7,533,948)**	**(11,189,077)**
Other Comprehensive Income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be classified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		172,516	1,185,200
Other Comprehensive Income, net of income tax		172,516	**1,185,200**
Total Comprehensive Loss for the year		**(7,361,432)**	**(10,003,877)**
Loss attributable to Members of Berkeley Resources Limited		**(7,533,948)**	**(11,189,077)**
Total comprehensive loss attributable to Members of Berkeley Resources Limited		**(7,361,432)**	**(10,003,877)**
Earnings per share			
Basic loss per share from continuing operations (cents per share)	21(a)	**(4.19)**	(6.24)
Diluted loss per share from continuing operations (cents per share)	21(b)	**(4.19)**	(6.24)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 $	2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	22(b)	20,245,401	27,736,790
Trade and other receivables	5	549,183	796,168
Total Current Assets		**20,794,584**	**28,532,958**
Non-current Assets			
Exploration expenditure	6	14,268,990	14,173,930
Property, plant and equipment	7	1,785,251	1,881,538
Other financial assets	8	132,003	70,450
Total Non-current Assets		**16,186,244**	**16,125,918**
TOTAL ASSETS		**36,980,828**	**44,658,876**
LIABILITIES			
Current Liabilities			
Trade and other payables	9	1,130,791	2,215,203
Income tax payable		-	43,630
Other financial liabilities	10	268,029	263,443
Total Current Liabilities		**1,398,820**	**2,522,276**
TOTAL LIABILITIES		**1,398,820**	**2,522,276**
NET ASSETS		**35,582,008**	**42,136,600**
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	11	119,358,591	119,061,813
Reserves	12	(1,180,339)	30,673
Accumulated losses	13	(82,596,244)	(76,955,886)
TOTAL EQUITY		**35,582,008**	**42,136,600**

The above Statement of Financial Position should be read in conjunction with the accompanying Notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Payments to suppliers and employees		(8,368,242)	(11,492,269)
Interest received		721,588	1,476,989
Rebates received		338,074	737,198
Net cash outflow from operating activities	22	**(7,308,580)**	**(9,278,083)**
Cash flows from investing activities			
Exploration acquisition costs		(108,118)	(36,489)
Payments for property, plant and equipment		(74,177)	(798,644)
Net cash outflow from investing activities		**(182,295)**	**(835,133)**
Cash flows from financing activities			
Proceeds from issue of shares and options		-	71,786
Transaction costs from issue of securities		(2,334)	-
Net cash inflow/(outflow) from financing activities		**(2,334)**	**71,786**
Net decrease in cash and cash equivalents held		**(7,493,209)**	**(10,041,430)**
Cash and cash equivalents at the beginning of the financial year		**27,736,790**	**37,716,585**
Effects of exchange rate changes on cash and cash equivalents		**1,820**	**61,635**
Cash and cash equivalents at the end of the financial year	22(b)	**20,245,401**	**27,736,790**

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
As at 1 July 2013	**119,061,813**	**2,623,721**	**(2,593,048)**	**(76,955,886)**	**42,136,600**
Net loss for the year	-	-	-	(7,533,948)	**(7,533,948)**
Other Comprehensive Income:					
Exchange differences arising on translation of foreign operations	-	-	172,516	-	**172,516**
Total comprehensive loss	**-**	**-**	**172,516**	**(7,533,948)**	**(7,361,432)**
Transactions with owners, recorded directly in equity:					
Conversion of Performance Rights	299,112	(299,112)	-	-	-
Adjustment for expired options	-	(1,893,590)	-	1,893,590	-
Cost of share based payments	-	809,174	-	-	809,174
Share Issue costs	(2,334)	-	-	-	(2,334)
As at 30 June 2014	**119,358,591**	**1,240,193**	**(2,420,532)**	**(82,596,244)**	**35,582,008**

	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
As at 1 July 2012	**118,930,526**	**4,363,630**	**(3,778,248)**	**(67,925,136)**	**51,590,772**
Net loss for the year				(11,189,077)	(11,189,007)
Other Comprehensive Income:					
Exchange differences arising on translation of foreign operations	-	-	1,185,200	-	1,185,200
Total comprehensive loss	**-**	**-**	**1,185,200**	**(11,189,077)**	**(10,003,877)**
Transactions with owners, recorded directly in equity:					
Exercise of listed options	71,287	-	-	-	71,287
Reversal of share issue costs	60,000	-	-	-	60,000
Issue of options	-	500	-	-	500
Adjustment for expired options	-	(2,158,327)	-	2,158,327	-
Cost of share based payments	-	417,918	-	-	417,918
As at 30 June 2013	**119,061,813**	**2,623,721**	**(2,593,048)**	**(76,955,886)**	**42,136,600**

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of Berkeley Resources Limited ('Berkeley' or 'Company' or 'Parent') and its consolidated entities ('Consolidated Entity' or 'Group') for the year ended 30 June 2014 are stated to assist in a general understanding of the financial report.

Berkeley is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange, and the Alternative Investment Market (AIM) on the London Stock Exchange.

The financial report of the Company for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors.

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report has also been prepared on a historical cost basis, except for available-for-sale investments and other financial assets, which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes to follow.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards';
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards';
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'; and
- AASB 119 (Revised 2011) 'Amendments to Australian Accounting Standards – Employee Benefits'.

The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods.

As a consequence of the adoption of AASB 2011-4 amendments to AASB 124 'Related Party Disclosures', the individual Key Management Personnel disclosure previously required in notes has been removed and included in the Remuneration Report.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2014. These are outlined in the table overleaf:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Statement of Compliance (Continued)

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 9/IFRS 9	Financial Instruments	On 24 July 2014 The IASB issued the final version of IFRS 9 which replaces IAS 39 and includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The AASB is yet to issue the final version of AASB 9. A revised version of AASB 9 (AASB 2013-9) was issued in December 2013 which included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: a. The change attributable to changes in credit risk are presented in other comprehensive income (OCI) b. The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.	1 January 2018	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2018

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 2012-3	Amendments to Australian Accounting Standards – *Offsetting Financial Assets and Financial Liabilities*	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2014
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclos ures for Non-Financial Assets	AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2014
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]	AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.	1 January 2014	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2014
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]	These amendments define an investment entity and require that, with limited exceptions, an investment entity does not consolidate its subsidiaries or apply AASB 3 Business Combinations when it obtains control of another entity. These amendments require an investment entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.	1 January 2014	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2014
AASB 1031	*Materiality*	The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.	1 January 2014	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2014
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.	20 December 2013 1 January 2014 1 January 2015	These amendments are not expected to have any significant impact on the Group's financial report.	30 June 2014 1 July 2014 1 July 2015

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Statement of Compliance (Continued)

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
Interpretation 21	Levies	This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2014
AASB 2014-1 Part A - Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards Part A Annual Improvements to IFRSs 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: • AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. • AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. • AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. • AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. • AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.	1 July 2014	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2014

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 2014-1 Part A - Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards – Part A Annual Improvements to IFRSs 2011–2013 Cycle	This standard sets out amendments to Annual Improvements to IFRSs 2011–2013 Cycle and addresses the following items: • AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. • AASB40 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 July 2014	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2014
AASB 2013-7	Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders [AASB 1038]	AASB 2013-7 removes the specific requirements in relation to consolidation from AASB 1038, which leaves AASB 10 as the sole source for consolidation requirements applicable to life insurer entities.	1 January 2014	These amendments are not expected to have any significant impact on the Group's financial report	1 July 2014

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Berkeley Resources Limited at reporting date. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Where controlled entities have entered or left the group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interest’s interest in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Business Combinations

The purchase method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The cost of a business combination is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of the business combination over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(e) Operating Segments

The Consolidated Entity adopted AASB 8 *Operating Segments* with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one operating segment and one geographical segment, being uranium exploration in Spain. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

The Consolidated Entity’s corporate headquarters in Australia have previously been reported in the Australian geographical segment, however, the corporate and administrative functions based in Australia are considered incidental to the Consolidated Entity’s uranium exploration activities in Spain.

(f) Significant Accounting Judgements, Estimates and Assumptions

(i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure is set out below. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is determined that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

Investment in controlled entities

In prior years, the Parent made a significant judgement about the impairment of a financial asset (investment in subsidiary). The Parent follows the guidance of AASB 136: Impairment of Assets in determining whether its investment in subsidiaries is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee including factors such as industry and operational and financing cash flows.

Recovery of Deferred Tax Assets

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. At balance date the net deferred tax assets are not recognised on the statement of financial position.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Inter Company Loans

The parent company advances loans to its subsidiaries to fund exploration and other activities. A provision is made for the loans outstanding at year end where the ultimate recoverability of the loans advanced is uncertain. Recoverability will depend on the successful exploitation or sale of the exploration assets of the subsidiaries.

(ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next reporting period are:

Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model or Black-Scholes model.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Interest

Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying value amount of the financial asset.

(h) Foreign Currency Translation

Both the functional and presentation currency of Berkeley at 30 June 2014 was Australian Dollars.

The following table sets out the functional currency of the subsidiaries (unless dormant) of the Group:

Company Name	Functional Currency
Minera de Rio Alagon, S.L.	Euro
Berkeley Exploration Limited	A$
Berkeley Minera Espana, S.A.	Euro
Geothermal Energy Sources, S.L.	Euro

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to the income statement with the exception of differences in foreign currency borrowings that provide a hedge against a net investment in a foreign entity and exchange differences on intercompany loans which are not expected or planned to be repaid. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and tax credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Where the functional currency of a subsidiary of Berkeley Resources Limited is not Australian Dollars the assets and liabilities of the subsidiary at reporting date are translated into the presentation currency of Berkeley at the rate of exchange ruling at the balance sheet date and the income statements are translated by applying the average exchange rate for the year.

Any exchange differences arising on this retranslation are taken directly to the foreign currency translation reserve in equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity and relating to that particular foreign operation is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(i) Income Tax

The income tax expense for the year is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Parent Entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

The Board of Berkeley Resources Limited has not yet resolved to consolidate eligible entities within the Group for tax purposes. The Board will review this position annually, before lodging of that years income tax return.

(j) Cash and Cash Equivalents

‘Cash and cash equivalents’ includes cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increase amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Trade and Other Receivables

Trade receivables are initially recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Trade receivables are due for settlement no more than 30 days from the date of recognition. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(m) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(n) Investments and Other Financial Assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loan and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset at fair value through profit or loss if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investments and Other Financial Assets (continued)

Available-for-sale financial assets and financial assets designated through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the net unrealised gains reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously reported in equity are included in the income statement as gains and losses on disposal of investment securities. The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is transferred from equity to the income statement. Impairment losses recognised in the income statement on equity instruments classified as held for sale are not reversed through the income statement.

(o) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Plant and equipment are depreciated on a reducing balance or straight line basis at rates based upon their effective lives as follows:

	Life
Plant and equipment	2 - 13 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the net disposal proceeds with carrying amount of the asset. These are included in the profit or loss in the period the asset is derecognised.

(p) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for the goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days.

(q) Employee Leave Benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(r) Issued Capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

(t) Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(u) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 Exploration for and Evaluation of Mineral Resources, which is the Australian equivalent of IFRS 6.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred.

A provision for unsuccessful exploration and evaluation is created against each area of interest by means of a charge to the income statement.

The recoverable amount of each area of interest is determined on a bi-annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged against profit or loss.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(w) Share Based Payments

(i) Equity settled transactions:

The Group provides benefits to directors, employees, consultants and other advisors of the Group in the form of share-based payments, whereby the directors, employees, consultants and other advisors render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model or Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Berkeley (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(x) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

	2014 $	2013 $
2. REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS		
Revenue – Interest Income	825,297	1,509,713
R&D Rebate received	338,074	737,198
	1,163,371	**2,246,911**
3. EXPENSES AND LOSSES FROM CONTINUING OPERATIONS		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
(a) Expenses		
Depreciation and amortisation		
- Plant and equipment	170,465	163,367
(b) Employee Benefits Expense		
Salaries, wages and fees	2,006,927	2,406,041
Defined contribution/Social Security	467,503	392,153
Share-based payments (refer Note 17)	809,174	417,918
Total Employee Benefits Expense	**3,283,604**	**3,216,112**

	2014 $	2013 $
4. INCOME TAX EXPENSE		
(a) Recognised in the Income Statement		
Current income tax		
Current income tax expense/(benefit)	-	43,630
Adjustments in respect of current income tax of previous years	(130,129)	1,841,184
Deferred income tax		
Origination and reversal of temporary differences	(1,208,309)	(1,229,843)
Deferred tax asset not previously brought to account	1,294,808	(611,341)
Deferred tax asset not brought to account	-	-
Income tax (benefit)/ expense reported in the income statement	**(43,630)**	**43,630**
(b) Recognised Directly in Equity		
Deferred income tax related to items charged or credited directly to equity		
Unrealised gain on available for sale financial assets	-	-
Transfer from equity to profit and loss on sale	-	-
Temporary differences not brought to account	-	-
Income tax expense reported in equity	**-**	**-**
(c) Reconciliation Between Tax Expense and Accounting Loss Before Income Tax		
Accounting loss before income tax	(7,577,578)	(11,145,447)
At the domestic income tax rate of 30% (2013: 30%)	(2,273,274)	(3,343,634)
Expenditure not allowable for income tax purposes	325,810	205,882
Income not assessable for income tax purposes	(101,422)	(234,528)
Foreign currency exchange gains and other translation adjustments	840,577	2,098,808
Adjustments in respect of current income tax of previous years	(130,129)	1,841,184
Temporary differences not previously brought to account	1,294,808	(611,341)
Income tax (benefit)/ expense reported in the income statement	**(43,630)**	**43,630**

	2014 $	2013 $
(d) Deferred Income Tax		
Deferred income tax at 30 June 2014 relates to the following:		
Deferred Tax Liabilities		
Accrued interest	40,931	9,817
Deferred tax assets used to offset deferred tax liabilities	(40,931)	(9,817)
	-	-
Deferred Tax Assets		
Accrued expenditure	14,849	12,675
Exploration and evaluation assets	6,437,550	4,453,316
Tax losses available to offset against future taxable income	4,537,746	5,190,538
Deferred tax assets used to offset deferred tax liabilities	(40,931)	(9,817)
Deferred tax assets not brought to account	(10,949,213)	(9,646,712)
	-	-

This future income tax benefit will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

(e) Tax Consolidations

As Berkeley Resources Limited is the only Australian company in the Group, tax consolidations are not applicable.

	2014 $	2013 $
5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES		
GST and other taxes receivable	289,592	539,753
Interest receivable	136,434	32,725
Other	123,157	223,690
	549,183	**796,168**
All trade and other receivables are current and there are no amounts impaired		
6. NON-CURRENT ASSETS – EXPLORATION EXPENDITURE		
The group has mineral exploration costs carried forward in respect of areas of interest:		
Areas in exploration at cost:		
Balance at the beginning of year	14,173,930	13,011,723
Net (disposals)/ additions	(68,457)	36,489
Foreign exchange differences	163,517	1,125,718
Balance at end of year	**14,268,990**	**14,173,930**

The value of the exploration interests is dependent upon the discovery of commercially viable reserves and the successful development or alternatively sale, of the respective tenements. An amount of €6m (A$8.69m) relates to the capitalisation of the fees paid to ENUSA under the Co-operation Agreement relating to the tenements within the State Reserves. The Company reached agreement with ENUSA in July 2012 in the form of an Addendum to the Consortium Agreement signed in January 2009. The Addendum includes the following terms:

- The Consortium now consists of State Reserves 28 and 29;
- Berkeley's stake in the Consortium has increased to 100%;
- ENUSA will remain the owner of State Reserves 28 and 29, however the exploitation rights have been assigned to Berkeley, together with authority to submit all applications for the permitting process;
- The Company is now the sole and exclusive operator in the Addendum Reserves, with the right to exploit the contained uranium resources and has full ownership of any uranium produced;
- ENUSA will receive a production fee equivalent to 2.5% of the net sale value (after marketing and transport costs) of any uranium produced within the Addendum Reserves;
- Berkeley has waived its rights to mining in State Reserves 2,25, 30, 31, Hoja 528-1 and the Saelices El Chico Exploitation Concession, and has waived any rights to management of the Quercus plant; and
- The Co-operation Agreement with ENUSA, signed on 29 January 2009, has been terminated.

	2014 $	2013 $
7. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
(a) Plant and equipment		
At beginning of financial year, net of accumulated depreciation and impairment	420,764	357,410
Additions	75,939	353,230
Depreciation charge for the year	(139,773)	(143,823)
Disposals	(49,639)	(367,168)
Foreign exchange differences	20,186	221,115
At end of financial year, net of accumulated depreciation and impairment	**327,477**	**420,764**
At beginning of financial year		
Cost	1,109,129	1,079,797
Accumulated depreciation and impairment	(688,365)	(722,387)
Net carrying amount	**420,764**	**357,410**
At end of financial year		
Cost	864,023	1,109,129
Accumulated depreciation and impairment	(536,546)	(688,365)
Net carrying amount	**327,477**	**420,764**
(b) Property		
At beginning of financial year, net of accumulated depreciation and impairment	1,460,774	852,361
Additions	-	445,413
Depreciation charge for the year	(30,692)	(19,544)
Foreign exchange differences	27,692	182,544
At end of financial year, net of accumulated depreciation and impairment	**1,457,774**	**1,460,774**
At beginning of financial year		
Cost	852,361	852,361
Accumulated depreciation and impairment	-	-
Net carrying amount	**852,361**	**852,361**
At end of financial year		
Cost	1,510,372	1,482,871
Accumulated depreciation and impairment	(52,598)	(22,097)
Net carrying amount	**1,457,774**	**1,460,774**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (Continued)

	2014 $	2013 $
7. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (Continued)		
(c) Reconciliation		
At beginning of financial year, net of accumulated depreciation and impairment	**1,881,538**	1,209,771
Additions	75,939	798,643
Depreciation charge for the year	(170,465)	(163,367)
Disposals	(49,639)	(367,168)
Foreign exchange differences	47,878	403,659
At end of financial year, net of accumulated depreciation and impairment	**1,785,251**	**1,881,538**
8. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS		
Security bonds	**132,003**	**70,450**
9. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES		
Trade creditors	1,094,791	2,172,953
Accrued expenses	36,000	42,250
	1,130,791	**2,215,203**
All trade and other payables are current. There are no overdue amounts.		
10. CURRENT LIABILITIES – OTHER FINANCIAL LIABILITIES		
Other Financial Liabilities	**268,029**	**263,443**
11. ISSUED CAPITAL		
(a) Issued and Paid up Capital		
180,361,323 (2013: 179,393,323) fully paid ordinary shares	**119,358,591**	**119,061,813**

Note

(i) Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Parent Entity does not have authorised capital nor par value in respect of its issued shares.

(b) Movements in Ordinary Share Capital During the Past Two Years:

Details	Number of Shares	Issue Price $	$
Opening Balance 1 July 2013	**179,393,323**		**119,061,813**
Issue of Shares – Conversion of Performance Share Rights	968,000	0.309	299,112
Share issue expenses	-	-	(2,334)
Closing Balance 30 June 2014	**180,361,323**		**119,358,591**
Opening Balance 1 July 2012	**179,298,273**		**118,930,526**
Issue of Shares – Listed options exercised	95,050	0.75	71,287
Reversal of Share issue expense	-	-	60,000
Closing Balance 30 June 2013	**179,393,323**		**119,061,813**

(c) Terms and conditions of Ordinary Shares

(i) *General*

The ordinary shares ('Shares') are ordinary shares and rank equally in all respects with all ordinary shares in the Company.

The rights attaching to the Shares arise from a combination of the Company's Constitution, statute and general law. Copies of the Company's Constitution are available for inspection during business hours at its registered office.

(ii) *Reports and Notices*

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

(iii) *Voting*

Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every ordinary Shareholder present in person, or by proxy, attorney or representative (in the case of a Company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a Company) has one vote for any Share held by the Shareholder.

A poll may be demanded by the Chairperson of the meeting, any 5 Shareholders entitled to vote in person or by proxy, attorney or representative or by any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote.

(iv) *Variation of Shares and Rights Attaching to Shares*

Shares may be converted or cancelled with member approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act.

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

(v) *Unmarketable Parcels*

The Company may procure the disposal of Shares where the member holds less than a marketable parcel of Shares within the meaning of the Listing Rules (being a parcel of shares with a market value of less than $500). To invoke this procedure, the Directors must first give notice to the relevant member holding less than a marketable parcel of Shares, who may then elect not to have his or her Shares sold by notifying the Directors.

11. ISSUED CAPITAL (Continued)

(c) Terms and conditions of Ordinary Shares (Continued)

(vi) *Changes to the Constitution*

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(vii) *Listing Rules*

Provided the Company remains admitted to the Official List of the Australian Securities Exchange Ltd, then despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

12. RESERVES

	Note	2014 $	2013 $
Share based payments reserve	12(b)	1,240,193	2,623,721
Foreign currency translation reserve	12(c)	(2,420,532)	(2,593,048)
		(1,180,339)	**30,673**

(a) Nature and Purpose of Reserves

Share based payments reserve

The share based payments reserve records the fair value of share based payments made by the Company.

Foreign currency translation reserve

Exchange differences arising on translation of a foreign controlled entity are taken to the foreign currency translation reserve, as described in Note 1(h). The reserve is recognised in profit and loss when the net investment is disposed of.

12. RESERVES (Continued)

(b) Movements during the Past Two Years:

Date	Details	Number of Listed Options[1]	Number of $1.25 Incentive Options	Number of $1.35 Incentive Options	Number of $0.41 Incentive Options	Number of $0.475 Incentive Options	Number of $0.45 Unlisted Options	Performance Rights	Fair Value $	$
1-Jul-13	Opening Balance	-	1,000,000	1,861,666	1,000,000	1,750,000	5,500,000	4,672,000		2,623,721
1-Dec-13	Options expired	-	(1,000,000)	-	-	-	-	-	-	(862,600)
31-Dec-13	Performance Rights Converted	-	-	-	-	-	-	(968,000)	0.309	(299,112)
28-Mar-14	Performance Rights issued	-	-	-	-	-	-	490,000	0.286	-
Various	Adjustment for lapsed options			(35,000)						(19,383)
18-Jun-14	Options expired	-	-	(1,826,666)	-	-	-	-	-	(1,011,607)
30-Jun-14	Share based payments expense	-	-	-	-	-	-	-	-	809,174
30-Jun-14	**Closing Balance**	**-**	**-**	**-**	**1,000,000**	**1,750,000**	**5,500,000**	**4,194,000**		**1,240,193**
1-Jul-12	Opening Balance	11,989,428	1,000,000	2,258,333	1,000,000	1,000,000	5,500,000	-		4,363,630
1-Jul-12	Option issue proceeds	-	-	-	-	-	-	-	-	500
10-Aug-12	Options exercised	(95,000)	-	-	-	-	-	-	-	-
9-Nov-12	Options issued	-	-	-	-	750,000	-	-	0.210	-
12-Apr-13	Performance Rights issued	-	-	-	-	-	-	4,672,000	0.309	-
15-May-13	Options exercised	(50)	-	-	-	-	-	-	-	-
15-May-13	Options expired	(11,894,378)	-	-	-	-	-	-	-	(2,008,800)
Various	Adjustment for lapsed options	-	-	(396,667)	-	-	-	-	-	(149,527)
30-Jun-13	Share based payments expense	-	-	-	-	-	-	-	-	417,918
30-Jun-13	**Closing Balance**	**-**	**1,000,000**	**1,861,666**	**1,000,000**	**1,750,000**	**5,500,000**	**4,672,000**		**2,623,721**

Notes

(1) Of the 11,989,428 Listed Options on issue at 1 July 2012, only 3,000,000 were issued as Share based payments. All 3,000,000 Listed Options issued as Share based payments expired on 15 May 2013.

	2014 $	2013 $
12. RESERVES (Continued)		
(c) Movements During the Past Two Years		
Foreign Currency Translation Reserve		
Opening balance	(2,593,048)	(3,778,248)
Translation of foreign operations	172,516	1,185,200
Closing balance	**(2,420,532)**	**(2,593,048)**
13. ACCUMULATED LOSSES		
Balance at beginning of year	(76,955,886)	(67,925,136)
Transfer from share based payments reserve	1,893,590	2,158,327
Net loss	(7,533,948)	(11,189,077)
Balance at end of year	**(82,596,244)**	**(76,955,886)**

(a) Dividends

No dividends were declared or paid during or since the end of the financial year.

(b) Franking Credits

In respect to the payment of dividends by Berkeley in subsequent reporting periods (if any), no franking credits are currently available, or are likely to become available in the next 12 months.

14. PARENT ENTITY INFORMATION

	Parent	
	2014 $	2013 $
Current assets	20,101,264	26,665,531
Total assets	26,469,701	33,035,048
Current liabilities	117,904	160,658
Total liabilities	117,904	160,658
Net Assets	26,351,797	32,874,390
Issued Capital	119,358,590	119,061,813
Reserves	1,240,193	2,623,721
Accumulated losses	(94,246,986)	(88,811,144)
Total equity	26,351,797	32,874,390
Profit/(Loss) of the parent entity	(7,329,433)	(11,332,189)
Total comprehensive Profit/(Loss) of the parent entity	(7,329,433)	(11,332,189)

The Parent Company had no commitments or contingencies at 30 June 2014.

15. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Name of Controlled Entity	Place of Incorporation	Equity Interest		Investment	
		2014 %	2013 %	2014 $	2013 $
Minera de Rio Alagon. S.L.	Spain	100[(1)]	100[(1)]	5,481,411	5,481,411
Berkeley Exploration Ltd	UK	100	100	-	-
Berkeley Minera Espana, S.L.	Spain	100[(2)]	100[(2)]	-	-
Geothermal Energy Sources, S.L.	Spain	100[(3)]	100[(3)]	-	-
Salamanca 28, S.L.	Spain	100	-	-	-
				5,481,411	**5,481,411**

Notes

(1) In the opinion of the directors the above named investments in controlled entities have a carrying value in the Company at balance date of $5,481,411 (2013: $5,481,411), being the cost of the investment less provision for impairment.
(2) Berkeley Minera Espana, S.L. was incorporated on 12 May 2009 and is a wholly owned subsidiary of Berkeley Exploration Limited. Berkeley Minera Espana, S.L.'s issued and paid up capital is €44,388,218 (2013: €15,025).
(3) Berkeley Exploration Limited acquired 100% of the issued shares in Geothermal Energy Sources, S.L. on 15 May 2009. Geothermal Energy Sources SL issued and paid up capital is $36,036 (€20,000).

(b) Ultimate Parent

Berkeley Resources Limited is the ultimate parent of the Group.

(c) Key Management Personnel

Details relating to Key Management Personnel, including remuneration paid, are included at Note 16.

(d) Transactions with Related Parties in the Consolidated Group

The group consists of Berkeley Resources Limited (the parent entity in the wholly owned group) and its controlled entities.

The following loan transactions were entered into during the year within the wholly owned group:

- Berkeley Resources Limited advanced $nil to Berkeley Minera Espana, S.L. by way of intercompany loan (2013: $502,121). The total balance at 30 June 2014 of $nil (2013: $1,374,069) has been provided for. The loan is denominated in Australian dollars (A$);

- Berkeley Resources Limited advanced $6,429,005 to Berkeley Exploration Limited by way of intercompany loan (2013: $11,251,228). The total balance at 30 June 2014 of $66,739,358 (2013: $59,153,821) has been provided for. The loan is denominated in Australian dollars (A$); and

- Berkeley Exploration Limited advanced $542,366 to Berkeley Minera Espana, S.L. by way of intercompany loan (2013: $10,486,318). The total balance at 30 June 2014 of $542,366 (2013: $58,388,911) has been provided for. The loan is denominated in Australian dollars (A$).

These transactions were undertaken on commercial terms and conditions, except that:
(i) There is no fixed repayment of the loans; and
(ii) No interest is payable on the loans prior to the completion of a definitive feasibility study.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (Continued)

16. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Key Management Personnel

The Key Management Personnel of the Group during or since the end of the financial year were as follows:

Directors

Ian Middlemas	Chairman
James Ross	Non-Executive Deputy Chairman
Robert Behets	Non-Executive Director

Other KMP

Francisco Bellón del Rosal	General Manager Operations
Javier Colilla Peletero	Senior Vice President Corporate
Clint McGhie	Chief Financial Officer and Company Secretary

There were no other key management personnel of the Company or the Group. Unless otherwise disclosed, the Key Management Personnel held their position from 1 July 2013 to 30 June 2014.

(b) Key Management Personnel Compensation

	2014 $	2013 $
Short-term benefits	1,053,634	953,058
Post-employment benefits	37,230	29,452
Share-based payments	574,306	299,469
	1,665,170	**1,281,979**

17. SHARE-BASED PAYMENTS

(a) Recognised Share-Based Payment Expense

	2014 $	2013 $
Expense arising from equity-settled share-based payment transactions to:		
Employees	(809,174)	(417,918)
Total expense arising from share-based payment transactions	**(809,174)**	**(417,918)**
Equity-settled share-based payment transaction recognised directly in Equity:		
Issue of Options	-	500
Total share-based payment transactions recognised directly in Equity	**-**	**500**

(b) Summary of Options and Performance Rights Granted

The following share-based payment arrangements were granted during the last two years:

2014	Security Type	Number	Grant Date	Note	Expiry Date	Exercise Price $	Fair Value $
Series							
Series 1	Right	150,000	28-Mar-14	(1)	30-Jun-15	-	0.286
Series 2	Right	160,000	28-Mar-14	(2)	31-Dec-16	-	0.286
Series 3	Right	180,000	28-Mar-14	(3)	31-Dec-17	-	0.286

Notes

(1) Tranche 2: Definitive Feasibility Milestone (refer to Note 17(f) for terms of Milestone) (Milestone date: 31 December 2014; Expiry date: 30 June 2015)
(2) Tranche 3: Project Construction Milestone (refer to Note 17(f) for terms of Milestone) (Milestone date: 31 December 2015; Expiry date: 31 December 2016)
(3) Tranche 4: Production Milestone (refer to Note 17(f) for terms of Milestone) (Milestone date: 31 December 2016; Expiry date: 31 December 2017

2013	Security Type	Number	Grant Date	Note	Expiry Date	Exercise Price $	Fair Value $
Series							
Series 1	Option	750,000	9-Nov-12	(1)	22-Dec-15	0.475	0.210
Series 2	Right	968,000	12-Apr-13	(2)	30-Jun-14	-	0.309
Series 3	Right	968,000	12-Apr-13	(3)	30-Jun-15	-	0.309
Series 4	Right	1,318,000	12-Apr-13	(4)	31-Dec-16	-	0.309
Series 5	Right	1,418,000	12-Apr-13	(5)	31-Dec-17	-	0.309

Notes

(1) 375,000 of these options vested on 12 December 2013 and 375,000 of these options vest on 12 December 2014.
(2) Tranche 1: Pre-Feasibility Milestone (refer to Note 17(g) for terms of Milestone) (Milestone date: 31 December 2013; Expiry date: 30 June 2014)
(3) Tranche 2: Definitive Feasibility Milestone (refer to Note 17(g) for terms of Milestone) (Milestone date: 31 December 2014; Expiry date: 30 June 2015)
(4) Tranche 3: Project Construction Milestone (refer to Note 17(g) for terms of Milestone) (Milestone date: 31 December 2015; Expiry date: 31 December 2016)
(5) Tranche 4: Production Milestone (refer to Note 17(g) for terms of Milestone) (Milestone date: 31 December 2016; Expiry date: 31 December 2017)

17. SHARE-BASED PAYMENTS (Continued)

(b) Summary of Options and Performance Rights Granted (Continued)

The following table illustrates the number and weighted average exercise prices (WAEP) of share options and performance rights issued as share-based payments at the beginning and end of the financial year:

	2014 Number	2014 WAEP	2013 Number	2013 WAEP
Outstanding at beginning of year	10,783,666	$0.48	8,758,333	$0.87
Granted by the Company during the year	490,000	-	5,422,000	$0.07
Converted during the year	(968,000)	-		-
Expired during the year	(2,861,666)	$1.32	(3,000,000)	$0.75
Forfeited during the year	-	-	(396,667)	$1.35
Outstanding at end of year	**7,444,000**	**$0.20**	**10,783,666**	**$0.48**

The outstanding balance of options and performance rights granted as share-based payments on issue as at 30 June 2014 is represented by:

- 1,000,000 unlisted options at an exercise price of $0.41 each that expire on 21 September 2015;
- 1,750,000 unlisted options at an exercise price of $0.475 each that expire on 22 December 2015;
- 500,000 unlisted options at an exercise price of $0.45 each that expire on 30 June 2016;
- 1,118,000 performance rights at no exercise price that expire on 30 June 2015;
- 1,478,000 performance rights at no exercise price that expire on 31 December 2016; and
- 1,598,000 performance rights at no exercise price that expire on 31 December 2017.

(c) Weighted Average Remaining Contractual Life

The weighted average remaining contractual life for share options and performance rights issued as share-based payments outstanding as at 30 June 2014 is 2.05 years (2013: 2.07 years).

(d) Range of Exercise Prices

The range of exercise prices for share options issued as share-based payments outstanding as at 30 June 2014 was $0.41 to $0.475 (2013: $0.41 to $1.35). The performance rights issued as share based payments outstanding at 30 June 2014 have no exercise price.

(e) Weighted Average Fair Value

The weighted average fair value of options and performance rights granted by the Group as equity-settled share-based payments during the year ended 30 June 2014 was $0.286 (2013: $0.375).

(f) Option and Performance Rights Pricing Model

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Binomial option valuation model taking into account the terms and conditions upon which the options were granted. The fair value of the performance rights granted is estimated as at the date of grant using the seven day volume weighted average share price prior to issuance.

The following table lists the inputs to the valuation model used for the share options and performance right granted by the Group during the year ended 30 June 2014:

2014 Inputs	Series 1	Series 2	Series 3
Exercise price	-	-	-
Grant date share price	$0.286	$0.286	$0.286
Dividend yield (i)	-	-	-
Volatility (ii)	-	-	-
Risk-free interest rate	-	-	-
Grant date	28-Mar-14	28-Mar-14	28-Mar-14
Expiry date	30-Jun-15	31-Dec-16	31-Dec-17
Expected life of performance rights(iii)	1.25	2.75	3.75
Fair value at grant date	$0.286	$0.286	$0.286

2013 Inputs	Series 1	Series 2	Series 3	Series 4	Series 5
Exercise price	$0.475	-	-	-	-
Grant date share price	$0.430	$0.309	$0.309	$0.309	$0.309
Dividend yield (i)	-	-	-	-	-
Volatility (ii)	75%	-	-	-	-
Risk-free interest rate	2.61%	-	-	-	-
Grant date	9-Nov-12	12-Apr-13	12-Apr-13	12-Apr-13	12-Apr-13
Expiry date	22-Dec-15	30-Jun-14	30-Jun-15	31-Dec-16	31-Dec-17
Expected life of option/ rigths (iii)	3.12	1.16	2.16	3.67	4.67
Fair value at grant date	$0.210	$0.309	$0.309	$0.309	$0.309

(g) Terms and conditions of Performance Rights

The unlisted performance share rights (**Performance Rights**) are granted based upon the following terms and conditions:

- each Performance Right automatically converts into one Ordinary Share upon vesting of the Performance Right;
- each Performance Right is subject to performance conditions (as determined by the Board from time to time) which must be satisfied in order for the Performance Right to vest;
- the Performance Rights vest on completion of the four milestones:
  - **Pre-Feasibility Study Milestone** means delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to Definitive Feasibility Study, evidenced by the Board resolving to continue as such.
  - **Definitive Feasibility Study Milestone** means delivery of a positive Definitive Feasibility Study and Value Engineering, and the Company making a decision to proceed to development of operation evidenced by the Board resolving to continue to develop the Project.
  - **Project Construction Milestone** means completion of an agreed % (to be determined by the Board no later than the completion of the Definitive Feasibility Study Milestone) of the project development phase, as per the project development schedule and budget approved by the Board in accordance with the Definitive Feasibility Study Milestone.
  - **Production Milestone** means achievement of first uranium production.
- if a performance condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Rights will lapse;
- Ordinary Shares issued on conversion of the Performance Rights rank equally with the then Ordinary Shares of the Company;

17. SHARE-BASED PAYMENTS (Continued)

(g) Terms and conditions of Performance Rights (Continued)

- application will be made by the Company to ASX for official quotation of the Ordinary Shares issued upon conversion of the Performance Rights;
- if there is any reconstruction of the issued share capital of the Company, the rights of the Performance Right holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction;
- no application for quotation of the Performance Rights will be made by the Company; and
- without approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

	2014 $	2013 $
18. REMUNERATION OF AUDITORS		
Amounts received by Stantons International for:		
- an audit or review of the financial reports of the Company	32,030	35,050
- other services in relation to the Company	-	-
		35,050
Other auditors for:		
- an audit or review of the financial reports	39,161	37,570
- other services	-	-
Total Auditors Remuneration	**71,191**	**72,600**

19. COMMITMENTS FOR EXPENDITURE

The Consolidated entity has no commitments for expenditure nor any contingent assets or liabilities at balance date.

20. SEGMENT INFORMATION

The Consolidated Entity operates in one operating segment and one geographical segment, being uranium exploration in Spain. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

The Consolidated Entity's corporate headquarters in Australia have previously been reported in the Australian geographical segment, however, the corporate and administrative functions based in Australia are considered incidental to Consolidated Entity's uranium exploration activities in Spain. As a result, following the adoption of AASB 8, the Consolidated Entity is not required to report the geographical segments reported in previous periods.

(a) Reconciliation of Non-current Assets by geographical location

	2014 $	2013 $
Australia	2,025	3,106
Spain	16,184,219	16,122,812
	16,186,244	**16,125,918**

21. EARNINGS PER SHARE

	2014 Cents per Share	2013 Cents per Share
(a) Basic Profit/(Loss) per Share		
From continuing operations	**(4.19)**	(6.24)
Total basic profit/(loss) per share	**(4.19)**	(6.24)
(b) Diluted Profit/(Loss) per Share		
From continuing operations	**(4.19)**	(6.24)
Total diluted profit/(loss) per share	**(4.19)**	(6.24)

(c) Earnings Used in Calculating Earnings per Share

The following reflects the income data used in the calculations of basic and diluted earnings per share:

	Consolidated	
	2014 $	2013 $
Net loss used in calculating basic and diluted earnings per share	**(7,533,948)**	**(11,189,077)**

(d) Weighted Average Number of Shares

The following reflects the share data used in the calculations of basic and diluted earnings per share:

	Number of Shares 2014	Number of Shares 2013
Weighted average number of ordinary shares used in calculating basic earnings per share	179,875,997	179,382,608
Effect of dilutive securities [(i)]		
Adjusted weighted average number of ordinary shares and potential ordinary shares used in calculating basic and diluted earnings per share	179,875,997	**179,382,608**

(i) *At 30 June 2014, 8,250,000 options and 4,194,000 performance rights (which represent 12,444,000 potential ordinary shares) were considered not dilutive as they would decrease the loss per share for the year ended 30 June 2014.*

(e) Conversions, Calls, Subscriptions or Issues after 30 June 2014

Since 30 June 2014, no securities have been issued.

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

	2014 $	2013 $
22. CASH FLOW STATEMENT		
(a) Reconciliation of Net Loss Before Income Tax Expense to Net Cash Flows from Operating Activities		
Net loss before income tax expense	**(7,577,578)**	(11,145,447)
Adjustment for non-cash income and expense items		
Income tax benefit	(43,630)	-
Depreciation	170,465	163,367
Share based payments expensed	809,174	417,918
Other non-cash expenses	181,639	-
Foreign exchange movement	89,374	21,358
Changes in assets and liabilities -		
(Increase)/decrease in trade and other receivables	185,432	(59,589)
Increase/(decrease) in trade and other payables	(1,123,456)	1,324,310
Net cash outflow from operating activities	**(7,308,580)**	**(9,278,083)**

	2014 $	2013 $
(b) Reconciliation of Cash and Cash Equivalents		
Cash at bank and on hand	2,245,401	3,236,790
Bank short term deposits	18,000,000	24,500,000
	20,245,401	**27,736,790**

(c) Credit Standby Arrangements with Banks

At balance date, the Company had no used or unused financing facilities.

(d) Non-cash Financing and Investment Activities

30 June 2014

There were no non-cash financing or investing activities during the year ended 30 June 2014.

30 June 2013

There were no non-cash financing or investing activities during the year ended 30 June 2013.

23. FINANCIAL INSTRUMENTS

(a) Overview

The Group's principal financial instruments comprise receivables, payables, security deposits, other financial liabilities, cash and short-term deposits. The main risks arising from the Group's financial instruments are interest rate risk, equity price risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2014 $	2013 $
Current Assets		
Cash and cash equivalents	20,245,401	27,736,790
Trade and other receivables	549,182	796,168
	20,794,583	28,532,958
Non-current Assets		
Other financial assets	132,003	70,450
	132,003	70,450
	20,926,586	**28,603,408**

The Group does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

Trade and other receivables comprise GST/VAT receivable, accrued interest and other miscellaneous receivables. Where possible the Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

23. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At 30 June 2014 and 2013, the Group has sufficient liquid assets to meet its financial obligations.

The contractual maturities of financial assets and financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

2014	≤ 6 months $	6 - 12 months $	1 - 5 years $	≥ 5 years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	20,245,401	-	-	-	20,245,401
Trade and other receivables	549,183	-	-	-	549,183
Security bonds	-	-	132,003	-	132,003
	20,794,584	**-**	**132,003**	**-**	**20,926,587**
Financial Liabilities					
Trade and other payables	1,130,791	-	-	-	1,130,791
Other financial liabilities	268,029	-	-	-	268,029
	1,398,820	**-**	**-**	**-**	**1,398,820**

2013	≤ 6 months $	6 - 12 months $	1 - 5 years $	≥ 5 years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	27,736,790	-	-	-	27,736,790
Trade and other receivables	796,168	-	-	-	796,168
Security bonds	-	-	70,450	-	70,450
	28,532,958	**-**	**70,450**	**-**	**28,603,408**
Financial Liabilities					
Trade and other payables	2,215,203	-	-	-	2,215,203
Income tax payable	43,630	-	-	-	43,630
Other financial liabilities	263,443	-	-	-	263,443
	2,522,276	**-**	**-**	**-**	**2,522,276**

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables, security deposits, investments in securities, and payables are non-interest bearing.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2014 $	2013 $
Interest-bearing Financial Instruments		
Cash at bank and on hand	2,245,401	3,236,790
Bank short term deposits	18,000,000	24,500,000
	20,245,401	**27,736,790**

The Group's cash at bank and on hand and short term deposits had a weighted average floating interest rate at year end of 3.60% (2013: 3.75%).

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

A sensitivity of 10 per cent has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 10% movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below based on the average amount of interest bearing financial instruments held. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2013.

	Profit or Loss		Equity	
	10% Increase $	10% Decrease $	10% Increase $	10% Decrease $
2014				
Group				
Cash and cash equivalents	**75,092**	**(75,092)**	**75,092**	**(75,092)**
2013				
Group				
Cash and cash equivalents	**122,725**	**(122,725)**	**122,725**	**(122,725)**

23. FINANCIAL INSTRUMENTS (Continued)

(e) Foreign Currency Risk

As a result of activities overseas, the Group's statement of financial position can be affected by movements in exchange rates.

The Group also has transactional currency exposures. Such exposure arises from transactions denominated in currencies other than the functional currency of the entity.

The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk.

The Group's exposure to foreign currency risk throughout the current and prior year primarily arose from the Group's wholly owned subsidiaries Berkeley Minera Espana, S.L., Minera del Rio Alagon, S.L., and Geothermal Energy Sources, S.L whose functional currency is the Euro. Foreign currency risk arises on translation of the net assets of these controlled entities to Australian dollars. The foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve. There is no hedging of this risk.

Sensitivity analysis for currency risk

A sensitivity of 10 per cent has been selected as this is considered reasonable given historic and potential future changes in foreign currency rates. This has been applied to the net financial instruments of Minera de Rio Alagon, S.L., Berkeley Minera Espana, S.L. and Geothermal Energy Sources, S.L. This sensitivity analysis is prepared as at balance date.

A 10% strengthening/weakening of the Australian dollar against the Euro at 30 June 2014 would have increased/(decreased) the net financial assets of the Spanish controlled entities by A$7,503 and (A$6,902) (2013: (A$7,828) and A$6,404).

There would be no impact on profit or loss arising from these changes in the currency risk variables as all changes in value are taken to a reserve.

The above analysis assumes that all other variables, in particular interest rates, remain constant. The analysis for 2013 has been performed on the same basis.

(f) Equity Price Risk

The Group is not exposed to equity price risk as it does not hold any equity interests other than interests in subsidiaries.

Equity price sensitivity

There is no effect on the net loss or equity reserves as at 30 June 2014 as the Group does not have an exposure to equity price risk from equity investments at that date.

The Group's sensitivity to equity prices has not changed significantly from the prior years.

(g) Commodity Price Risk

The Group is exposed to uranium commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

(h) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

(i) Fair Value

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

24. CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2014 (2013: Nil).

25. SUBSEQUENT EVENTS

There are no matters or circumstances, which have arisen since 30 June 2014 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2014, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2014, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2014, of the Consolidated Entity.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Berkeley Resources Limited, I state that:

(1) In the opinion of the Directors:

(a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited of the Consolidated Entity are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with accounting standards and the Corporations Act 2001;

(iii) complying with International Financial Reporting Standards; and

(b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

On behalf of the Board.

ROBERT BEHETS
Non-Executive Director

25 September 2014

INDEPENDENCE DECLARATION

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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Australia

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25 September 2014

Board of Directors
Berkeley Resources Limited
Level 9, BGC Centre
28 The Esplanade
Perth WA 6000

Dear Directors

RE: BERKELEY RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Berkeley Resources Limited.

As the Audit Director for the audit of the financial statements of Berkeley Resources Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely
STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(Authorised Audit Company)

John Van Dieren
Director

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BERKELEY RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Berkeley Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Stantons International

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

(a) the financial report of Berkeley Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 25 to 33 of the directors' report for the year ended 30 June 2014. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion

In our opinion the remuneration report of Berkeley Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

John Van Dieren
Director

West Perth, Western Australia
25 September 2014

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Berkeley Resources Limited is responsible for its corporate governance, that is, the system by which the Group is managed. This statement outlines the main corporate governance practices in place during the financial year, which comply with the ASX Corporate Governance recommendations unless otherwise stated.

1. BOARD OF DIRECTORS

1.1 Role of the Board and Management

The Board represents shareholders' interests in continuing a successful business, which seeks to optimise medium to long-term financial gains for shareholders. By not focusing on short-term gains for shareholders, the Board believes that this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Group is managed in such a way to best achieve this desired result. Given the current size and operations of the business, the Board currently undertakes an active, not passive role.

The Board is responsible for evaluating and setting the strategic directions for the Group, establishing goals for management and monitoring the achievement of these goals. The Managing Director is responsible to the Board for the day-to-day management of the Group.

The Board has sole responsibility for the following:

- Appointing and removing the Managing Director and any other executives and approving their remuneration;
- Appointing and removing the Company Secretary / Chief Financial Officer and approving their remuneration;
- Determining the strategic direction of the Group and measuring performance of management against approved strategies;
- Review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- Adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the Group's medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the Group's financial affairs;
- Review and ratify systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the Group's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Group's corporate governance practices are being continually reviewed and improved as required.

1.2 Composition of the Board

The Company currently has the following Board members:

Mr Ian Middlemas	Non-Executive Chairman
Dr James Ross	Non-Executive Deputy Chairman
Mr Robert Behets	Non-Executive Director

Details of the directors, including their qualifications, experience and date of appointment are set out in the Directors' Report.

The Company's Constitution provides that the number of directors shall not be less than three and not more than ten. There is no requirement for any share holding qualification.

The Board has assessed the independence status of the directors and has determined that there is one independent director, Mr Middlemas.

The Board has followed the ASX Corporate Governance Principles and Recommendations when assessing the independence of the directors which define an independent director to be a director who:

- is non-executive;
- is not a substantial shareholder (i.e. greater than 5%) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold such employment;
- within the last three years has not been a principal or employee of a material professional adviser or a material consultant to the Company or another Group member;
- is not a significant supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant supplier or customer;
- has no material contractual relationship with the Company or another Group member other than as a director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount which is greater than five percent of either the net assets of the Company or an individual director's net worth is considered material for these purposes.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of additional independent Non-Executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.

If the Group's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of directors required for the Board to properly perform its responsibilities and functions will be appointed.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Group's scope of activities, intellectual ability to contribute to the Board's duties and physical ability to undertake the Board's duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next annual general meeting. Under the Company's Constitution the tenure of directors (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his last appointment. Subject to the requirements of the Corporations Act 2001, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

1.3 Committees of the Board

The following committees of the Board were in place until 25 September 2012:

- Audit Committee (formed 22 September 2010)
- Remuneration Committee (formed 22 September 2010)

Following changes to the composition of the Board in 2012, the Board considers that the Group is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Group's activities and to ensure that it adheres to appropriate ethical standards. As a result, these committees are no longer in place.

CORPORATE GOVERNANCE STATEMENT (Continued)

1. BOARD OF DIRECTORS (Continued)

1.3 Committees of the Board (Continued)

The Board has also established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required.

If the Group's activities increase in size, scope and nature, the appointment of separate or special committees will be reviewed by the Board and implemented if appropriate. The Company continues to monitor its compliance with Listing Rule 12.7 with respect to the requirement to have an Audit Committee and to comply with the best practice recommendations set by the ASX Corporate Governance Council in relation to the composition, operation and responsibility of the Audit Committee.

1.4 Conflicts of Interest

In accordance with the Corporations Act and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

1.5 Independent Professional Advice

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

2. ETHICAL STANDARDS

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Group.

2.1 Code of Conduct for Directors

The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision-making by the Directors. The code is based on a code of conduct for Directors prepared by the Australian Institute of Company Directors.

The principles of the code are:

- A director must act honestly, in good faith and in the best interests of the company as a whole.
- A director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A director must use the powers of office for a proper purpose, in the best interests of the company as a whole.
- A director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the company.
- A director must not make improper use of information acquired as a director.
- A director must not take improper advantage of the position of director.
- A director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the company.
- A director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken as a Board.
- Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.
- A director should not engage in conduct likely to bring discredit upon the company.
- A director has an obligation at all times, to comply with the spirit, as well as the letter of the law and with the principles of the Code.

The principles are supported by guidelines as set out by the Australian Institute of Company Directors for their interpretation. Directors are also obliged to comply with the Company's Code of Ethics and Conduct, as outlined below.

2.2 Code of Ethics and Conduct

The Group has implemented a Code of Ethics and Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Group.

All employees and Directors are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Group information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Group's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Ethics and Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must report that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

2.3 Dealings in Company Securities

The Company's share trading policy imposes basic trading restrictions on all Directors and employees of the Group. Directors and employees must not:

- deal in the Company’s securities on considerations of a short term nature and must also take reasonable steps to prevent any person connected with them from doing the same;
- deal in the Company’s securities during a close period; and
- deal in any of the Company’s securities if they have unpublished price-sensitive information.

A ‘close period’ is:

- the period of two months immediately preceding the preliminary announcement of the Company’s annual results;
- the period of two months immediately preceding the announcement of the Company’s half-year results; and
- the period of one month immediately preceding the announcement of the quarterly activities and cashflow report.

’Unpublished price sensitive information' is information that:

- is not generally available; and
- if it were generally available, it would, or would be likely to have a significant effect on the price or value of the Company’s securities.

If an employee possesses inside information, the person must not:

- trade in the Company's securities;
- advise others or procure others to trade in the Company's securities; or

CORPORATE GOVERNANCE STATEMENT (Continued)

2. ETHICAL STANDARDS (Continued)

2.3 Dealings in Company Securities (Continued)

- pass on the inside information to others - including colleagues, family or friends - knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the employee or Director learns the information (e.g. even if the employee or Director overhears it or is told in a social setting).

In addition to the above, clearance must be obtained from the Chairman before dealing in any securities and Directors must notify the Company Secretary as soon as practicable, but not later than 5 business days, after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the Corporations Act and the Listing rules of the ASX, the Company on behalf of the Directors must advise the ASX of any transactions conducted by them in the securities of the Company.

Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

2.4 Interests of Other Stakeholders

The Group's objective is to leverage into resource projects to provide a solid base in the future from which the Group can build its resource business and create wealth for shareholders. The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for the Group to achieve.

To assist in meeting its objective, the Group conducts its business within the Code of Ethics and Conduct, as outlined in 2.2 above.

3. DISCLOSURE OF INFORMATION

3.1 Continuous Disclosure to ASX

The continuous disclosure policy requires all executives and Directors to inform the Managing Director (or Chairman where there is no Managing Director) or in their absence the Company Secretary of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

Information need not be disclosed if:

1. It is not material and a reasonable person would not expect the information to be disclosed, or it is material but due to a specific valid commercial reason is not to be disclosed; and
2. The information is confidential; or
3. One of the following applies:
   i. It would breach a law or regulation to disclose the information;
   ii. The information concerns an incomplete proposal or negotiation;
   iii. The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
   iv. The information is generated for internal management purposes;
   v. The information is a trade secret;
   vi. It would breach a material term of an agreement, to which the Group is a party, to disclose the information;
   vii. The information is scientific data that release of which may benefit the Group's potential competitors.

The Managing Director (or Chairman where there is no Managing Director) is responsible for interpreting and monitoring the Group's disclosure policy and where necessary informing the Board. The Company Secretary is responsible for all communications with ASX.

3.2 Communication with Shareholders

The Group places considerable importance on effective communications with shareholders.

The Group's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Group. The strategy provides for the use of systems that ensure a regular and timely release of information about the Group is provided to shareholders. Mechanisms employed include:

- Announcements lodged with ASX;
- ASX Quarterly Cash Flow Reports;
- Half Yearly Report;
- Presentations at the Annual General Meeting/General Meeting's; and
- Annual Report.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Group's strategy and goals.

The Group also posts all reports, ASX and media releases and copies of significant business presentations on the Company's website.

4. RISK MANAGEMENT AND INTERNAL CONTROL

4.1 Approach to Risk Management and Internal Control

The identification and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Group's approach to creating long-term shareholder value.

The Group operates a standardised risk management process that provides a consistent framework for the identification, assessment, monitoring and management of material business risks. This process is based on the Australian/New Zealand Standard for Risk Management (AS/NZS 4360 Risk Management) and the Committee of Sponsoring Organisations of the US Treadway Commission (COSO) control framework for enterprise risk management.

Strategic and operational risks are reviewed at least annually as part of the annual strategic planning, business planning, forecasting and budgeting process.

The Group has developed a series of operational risks which the Group believes to be inherent in the industry in which the Group operates having regard to the Group's circumstances (including financial resources, prospects and size). These include:

- fluctuations in commodity prices and exchange rates;
- accuracy of mineral reserve and resource estimates;
- reliance on licenses, permits and approvals from governmental authorities;
- ability to obtain additional financing; and
- changed operating, market or regulatory environments.

These risk areas are provided here to assist investors to understand better the nature of the risks faced by our Group and the industry in which the Group operates. They are not necessarily an exhaustive list.

4.2 Risk Management Roles and Responsibilities

Management is responsible for designing, implementing and reporting on the adequacy of the Group's risk management and internal control system. Management reports to the Board annually, or more frequently as required, on the Group's key risks and the extent to which it believes these risks are being managed.

The Board is responsible for reviewing and approving the Group's risk management and internal control system and satisfying itself annually, or more frequently if required, that management has developed and implemented a sound system of risk management and internal control.

In 2014 the Board reviewed the overall risk profile for the Group and received reports from management on the effectiveness of the Group's management of its material business risks.

CORPORATE GOVERNANCE STATEMENT (Continued)

4. RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

4.3 Integrity of Financial Reporting

The Board also receives a written assurance from the Chief Executive Officer or equivalent (CEO) and the Chief Financial Officer or equivalent (CFO) that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

The Board notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

4.4 Role of External Auditor

The Group's practice is to invite the auditor (who now must attend) to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

5. PERFORMANCE REVIEW

The Board has adopted a self-evaluation process to measure its own performance and the performance of its committees (if any) during each financial year. Also, an annual review is undertaken in relation to the composition and skills mix of the Directors of the Company.

Arrangements put in place by the Board to monitor the performance of the Group's executives include:

- a review by the Board of the Group's financial performance;
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Group;
- an analysis of the Group’s prospects and projects; and
- a review of feedback obtained from third parties, including advisors.

The Remuneration Report discloses the process for evaluating the performance of senior executives, including the Managing Director.

In 2014, performance evaluations for senior executives took place in accordance with the process disclosed above and in the Remuneration Report.

6. REMUNERATION ARRANGEMENTS

The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide Executive Directors and executives with a remuneration package consisting of fixed components that reflect the person's responsibilities, duties and personal performance.

In addition to the above, the Group has developed a limited equity-based remuneration arrangement for key executives and consultants.

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to non-executive directors by other companies of similar size in the industry.

The aggregate amount payable to the Company's Non-Executive Directors must not exceed the maximum annual amount approved by the Company's shareholders.

COMPLIANCE WITH ASX CORPORATE GOVERNANCE RECOMMENDATIONS

During the 2014 financial year, the Company complied with the ASX Principles and Recommendations other than in relation to the matters specified below.

Recommendation Ref	Notification of Departure	Explanation for Departure
2.1	A majority of the Board are not independent directors.	The Board considers that the following Directors are independent directors in accordance with the ASX Corporate Governance Council's definition of independence: Mr Ian Middlemas (Independent Non-Executive Chairman) The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.
2.4	A separate Nomination Committee has not been formed.	The Board considers that the Company is not currently of a size to justify the formation of a Nomination Committee. The Board as a whole undertakes process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate independent consultants are engaged to identify possible new candidates for the Board.
3.2, 3.3	A policy concerning diversity has not been established.	The Company had 29 employees at 30 June 2014, of which there were 9 female employees. The Company currently has no female executives or directors. The Board's policy is to employ the best candidate for a specific position, regardless of gender, and considers that the Company is not currently of a size to justify a policy regarding diversity and objectives regarding gender diversity.
4.2, 4.3	The Company did not have a separate Audit Committee for the entire year ended 30 June 2014.	There was an Audit Committee in place until 25 September 2012, however, following changes to the composition of the Board in April 2012, the Board considered that the Group was not of a size nor are its affairs of such complexity to justify the formation of a separate Audit Committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems.
8.1	A separate Remuneration Committee has not been formed	There was a Remuneration Committee in place until 25 September 2012, however, following changes to the composition of the Board in April 2012, the Board considered that the Group was not of a size nor are its affairs of such complexity to justify the formation of a separate Remuneration Committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company.

As the Company's activities increase in size, scope and/or nature, the Company's corporate governance principles will be reviewed by the Board and amended as appropriate.

Further details of the Company's corporate governance policies and practices are available on the Company's website at www.berkeleyresources.com.au.

ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 30 September 2014.

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Shares

Name	No of Ordinary Shares Held	Percentage of Issued Shares
Pershing Australia Nominees Pty Ltd <Argonaut Account>	30,774,507	17.06
HSBC Custody Nominees (Australia) Limited	22,533,479	12.49
Merrill Lynch (Australia) Nominees Pty Limited	15,594,109	8.65
Citicorp Nominees Pty Limited	13,627,948	7.56
HSBC Custody Nominees (Australia) Limited – A/C 2	10,074,859	5.59
HSBC Custody Nominees (Australia) Limited – A/C 3	7,057,780	3.91
Arredo Pty Ltd	5,300,000	2.94
J P Morgan Nominees Australia Limited	4,876,197	2.70
Computershare Clearing Pty Ltd <CCNL DI A/C>	3,952,348	2.19
UBS Nominees Pty Ltd	2,714,049	1.50
BNP Paribas Noms Pty Ltd <DRP>	2,486,277	1.38
NEFCO Nominees Australia Limited	2,417,190	1.34
National Nominees Limited	1,857,734	1.03
Hopetoun Consulting Pty Ltd	1,370,000	0.76
Cantori Pty Ltd <Cantori P/L Super Fund A/C>	1,332,853	0.74
GP Securities Pty Ltd	1,191,974	0.66
UBS Wealth Management Australia Nominees Pty Ltd	1,147,354	0.64
Mr Terry Patrick Coffey+ Hawkes Bay Nominees Limited <Williams Family No2 A/C>	1,065,000	0.59
Mr Robert Arthur Behets + Mrs Kristina Jane Behets <Behets Family A/C>	1,000,000	0.55
Josselin Pty Ltd	1,000,000	0.55
Total Top 20	**131,373,658**	**72.84**
Others	48,987,665	27.16
Total Ordinary Shares on Issue	**180,361,323**	**100.00**

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of security holders by size of holding

			Ordinary Shares	
Distribution			Number of Shareholders	Number of Shares
1	–	1,000	269	54,174
1,001	–	5,000	327	963,227
5,001	–	10,000	178	1,430,031
10,001	–	100,000	433	15,578,042
100,001	–	and over	133	162,335,849
Totals			**1,340**	**180,361,323**

There were 317 holders of less than a marketable parcel of ordinary.

3. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the holding company's register as at 30 September 2014 are:

Substantial Shareholder	Number of Shares
Anglo Pacific Group plc	30,213,985
Hadron Capital	14,222,442
Resource Capital Fund	13,020,000
Commonwealth Bank of Australia and its subsidiaries	10,337,639
Global X Management Company	9,417,562

4. UNQUOTED SECURITIES

The names of the holders holding more than 20% of each class of unlisted securities are listed below:

Holder	$0.41 Unlisted Options Expiring 21-Sep-15	$0.475 Unlisted Options Expiring 22-Dec-15	$0.45 Unlisted Options Expiring 30-Jun-16	Performance Rights Expiring 30-Jun-15	Performance Rights Expiring 31-Dec-16	Performance Rights Expiring 31-Dec-17
Mr Javier Colilla	-	750,000	-	-	-	-
Mr F Bellon del Rosal	1,000,000	-	-	-	-	-
Mr Craig Gwatkin	-	500,000	-	-	-	-
Mr Steven Turner	-	500,000	-	-	-	-
Arredo Pty Ltd	-	-	4,000,000	-	-	-
Mr Robert Behets	-	-	-	240,000	-	-
Others (holding less than 20%)	-	-	1,500,000	878,000	1,478,000	1,598,000
Total	**1,000,000**	**1,750,000**	**5,500,000**	**1,118,000**	**1,478,000**	**1,598,000**
Total holders	1	3	3	10	11	11

ADDITIONAL INFORMATION (Continued)

5. VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

6. ON-MARKET BUY BACK

There is currently no on-market buy back program for any of Berkeley's listed securities.

7. EXPLORATION INTERESTS

As at 30 September 2014, the Company has an interest in the following tenements:

Location	Tenement Name	Percentage Interest	Status
Spain			
Salamanca			
	D.S.R Salamanca 28 (Alameda)	100%	Granted
	D.S.R Salamanca 29 (Villar)	100%	Granted
	E.C. Retortillo-Santidad	100%	Granted
	P.I. Abedules	100%	Granted
	P.I. Abetos	100%	Granted
	P.I. Alcornoques	100%	Granted
	P.I. Alisos	100%	Granted
	P.I. Bardal	100%	Granted
	P.I. Barquilla	100%	Granted
	P.I. Berzosa	100%	Granted
	P.I. Campillo	100%	Granted
	P.I. Castaños 2	100%	Granted
	P.I. Ciervo	100%	Granted
	P.I. Dehesa	100%	Granted
	P.I. El Águlia	100%	Granted
	P.I. Espinera	100%	Granted
	P.I. Horcajada	100%	Granted
	P.I. Mailleras	100%	Granted
	P.I. Mimbre	100%	Granted
	P.I. Oñoro	100%	Granted
	P.I. Pedreras	100%	Granted
	P.I. Alimoche	100%	Pending
	P.I. El Vaqueril	100%	Pending
	P.I.Halcón	100%	Pending

Location	Tenement Name	Percentage Interest	Status
Spain (Continued)			
Cáceres			
	P.I. Almendro	100%	Granted
	P.I. Ibor	100%	Granted
	P.I. Olmos	100%	Granted
Badajoz			
	P.I Don Benito Este – U	100%	Pending
	P.I Don Benito Este – C	100%	Pending
	P.I Don Benito Oeste – U	100%	Pending
	P.I Don Benito Oeste – C	100%	Pending
Ciudad Real			
	P.I Damkina Fraccion 1	100%	Granted
	P.I Damkina Fraccion 2	100%	Granted
	P.I Damkina Fraccion 3	100%	Granted

8. MINERAL RESOURCES STATEMENT

Berkeley's Mineral Resource Statement is grouped by deposit, all of which form part of the Salamanca Project in Spain. To date, no Ore Reserves have been reported for these projects.

Governance

The Company engages external consultants and Competent Persons (as determined pursuant to the JORC Code (2004 and 2012 editions)) to prepare and estimate the Mineral Resources. Management and the Board review these estimates and underlying assumptions for reasonableness and accuracy. The results of the Mineral Resource estimates are then reported in accordance with the requirements of the JORC Code and other applicable rules (including ASX Listing Rules).

Where material changes occur during the year to the project, including the project's size, title, exploration results or other technical information, previous resource estimates and market disclosures are reviewed for completeness.

The Company reviews its Mineral Resources as at 30 June each year. A revised Mineral Resource estimate will be prepared as part of the annual review process where a material change has occurred in the assumptions or data used in previously reported Mineral Resources. However, there are circumstance where this may not be possible (e.g. an ongoing drilling programme), in which case a revised Mineral Resource estimate will be prepared and reported as soon as practicable.

Results of Annual Review

As a result of the annual review of the Mineral Resources, there has been no change to the Mineral Resources reported for the Salamanca Project in September 2013.

Summary of Mineral Resources

		2013			2014		
Deposit Name	**Resource Category**	**Tonnes (Mt)**	**U_3O_8 (ppm)**	**U_3O_8 (Mlbs)**	**Tonnes (Mt)**	**U_3O_8 (ppm)**	**U_3O_8 (Mlbs)**
Retortillo	Indicated	14.4	378	12.0	14.4	378	12.0
	Inferred	1.8	359	1.4	1.8	359	1.4
	Total	***16.2***	***376***	***13.4***	***16.2***	***376***	***13.4***
Zona 7	Inferred	3.9	414	3.6	3.9	414	3.6
Las Carbas	Inferred	0.6	443	0.6	0.6	443	0.6
Cristina	Inferred	0.8	460	0.8	0.8	460	0.8
Caridad	Inferred	0.4	382	0.4	0.4	382	0.4
Villares	Inferred	0.7	672	1.1	0.7	672	1.1
Villares North	Inferred	0.3	388	0.2	0.3	388	0.2
Total Retortillo Satellites	*Inferred*	*6.7*	*447*	*6.6*	*6.7*	*447*	*6.6*
Alameda	Indicated	20.0	455	20.1	20.0	455	20.1
	Inferred	0.7	657	1.0	0.7	657	1.0
	Total	***20.7***	***462***	***21.1***	***20.7***	***462***	***21.1***
Villar	Inferred	5.0	446	4.9	5.0	446	4.9
Alameda Nth Zone 2	Inferred	1.2	472	1.3	1.2	472	1.3
Alameda Nth Zone 19	Inferred	1.1	492	1.2	1.1	492	1.2
Alameda Nth Zone 21	Inferred	1.8	531	2.1	1.8	531	2.1
Total Alameda Satellites	*Inferred*	*9.1*	*472*	*9.5*	*9.1*	*472*	*9.5*
Gambuta	Inferred	12.7	394	11.1	12.7	394	11.1
Salamanca Project	***Indicated***	***34.4***	***423***	***32.0***	***34.4***	***423***	***32.0***
	Inferred	***31.0***	***432***	***29.6***	***31.0***	***432***	***29.6***
	Total	***65.4***	***427***	***61.6***	***65.4***	***427***	***61.6***

Competent Person Statement – Mineral Resource Statement

The information in this Mineral Resource Statement that relate to Mineral Resources is based on, and fairly represents, information and supporting documentation compiled by Mr Craig Gwatkin, who is a Member of The Australasian Institute of Mining and Metallurgy and was an employee of Berkeley Resources Limited. Mr. Gwatkin has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Gwatkin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Mr. Gwatkin, as an independent consultant, has approved the Mineral Resource Statement and consents to its inclusion in the form and context in which it appears.

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