Berkeley Resources Ltd

Interim Financial Report for the Half Year Ended 31 December 2009

ABN 40 052 468 569

CORPORATE DIRECTORY

Directors
Dr Robert Hawley – Chairman
Mr Ian Stalker – Managing Director / CEO
Mr Scott Yelland – Chief Operating Officer
Mr Matthew Syme
Dr James Ross
Senor Jose Ramon Esteruelas
Mr Sean James

Company Secretary
Mr Clint McGhie

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Stock Exchange Listing

Australia
Australian Securities Exchange
Home Branch – Perth
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Perth WA 6000

United Kingdom
London Stock Exchange – AIM
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ASX Code
BKY – Fully paid ordinary shares
BKYO - $0.75 Listed Option

AIM TIDM
BKY – Fully paid ordinary shares

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DIRECTORS' REPORT

The Board of Directors of Berkeley Resources Limited present their report on the consolidated entity of Berkeley Resources Limited ("the Company" or "Berkeley") and the entities it controlled during the half year ended 31 December 2009 ("Consolidated Entity").

DIRECTORS

The names of the Directors of Berkeley in office during the half year and until the date of this report are:

Dr Robert Hawley
Mr Ian Stalker (Appointed 30 November 2009)
Mr Matthew Syme
Mr Scott Yelland
Dr James Ross
Senor Jose Ramon Esteruelas
Mr Sean James
Mr Stephen Dattels (Resigned 14 September 2009)

Unless otherwise disclosed, Directors were in office from the beginning of the half year until the date of this report.

REVIEW AND RESULTS OF OPERATIONS

Review of Operations

During the half year ended 31 December 2009 the Company's primary focus was advancing its Salamanca Uranium Project in Spain.

Having made a preliminary assessment of the dataset acquired for the Salamanca Uranium Project, Berkeley completed a detailed Scoping Study in December 2009, the results of which demonstrated the technical and economic viability of the Project.

A confirmatory diamond drilling campaign at the Salamanca Uranium Project that commenced in October 2009 has enabled Berkeley to make a first stage estimate of the Mineral Resources for a number of deposits within the ENUSA State Reserves. These estimates increased Berkeley's total Mineral Resource base, reported in accordance with the JORC Code (2004) to 53.3 million tonnes at 442 ppm for 52.4 Mlbs U_3O_8, with 31% in the Measured and Indicated categories. A number of further ENUSA deposits are yet to have estimates completed.

In November 2009, Mr Ian Stalker was appointed Managing Director and Chief Executive Officer of the Company.

Mr Stalker is a chemical engineer, with an outstanding history in developing and managing a number of mining projects around the world over the past 35 years. He has considerable experience in the uranium sector and in mining operations in Spain and has successfully managed eight mining projects through feasibility study, development and construction phases.

The Company's royalty commitments to the original founders and vendors of Berkeley's Spanish subsidiary, Minera de Rio Alagon SL ("MRA") were restructured in December 2009. The parties agreed to replace the previous royalty with a 1% royalty on all of Berkeley's future uranium production in Spain and Portugal, including potentially non-MRA properties. The minimum cash royalty has also been terminated, in exchange for issue to the MRA vendors of 750,000 new ordinary fully paid shares in the Company.

REVIEW AND RESULTS OF OPERATIONS (Continued)

Salamanca Uranium Project

The Salamanca Uranium Project (the "Project") comprises a number of State Reserve licenses and the previously licensed Quercus uranium processing plant, presently owned by ENUSA Industrias Avanzadas SA (ENUSA), the Spanish state uranium company, as well as Berkeley's own extensive tenement holdings in the area.

Berkeley has agreed to acquire a 90% interest in the ENUSA assets after completion of a feasibility study on the Project. Berkeley will pay ENUSA €20m and a royalty, as well as leasing the Quercus plant.

Under the Agreement, the feasibility study is scheduled to be completed by November 2010. The first stage of the feasibility study process - the Scoping Study - has reviewed the ENUSA information pertaining to the historic exploration and operations on the State Reserves and assessed the various processing options. Berkeley has assessed the available historical data for the ENUSA deposits and undertaken detailed fieldwork to geo-reference and validate the data. In addition, an evaluation of the exploration potential was conducted for the remaining State Reserve areas. The main conclusions were:

- High confidence in the quality of the historical data.
- Confirmation of the historical exploration targets.
- Potential at Palacios (previously Mina D), Sageras and Alameda South, for defining additional resources.
- Strong exploration potential in a number of mineralised areas proximal to the main deposits.

Scoping Study Conclusions

The Salamanca Uranium Project Scoping Study (the "Study") considered 4 different scenarios, with a view to firstly, verify the potential value of the ENUSA assets and secondly, to compare the likely processing alternatives. The first 3 scenarios considered mining only the Palacios, Sageras and Alameda South deposits and then 3 different processing alternatives.

1. Tank leaching all ore produced at the Quercus plant, with ore from Alameda South trucked to the Quercus plant on a purpose built haul road,

2. Tank leaching all ore produced at the Quercus plant, with ore from Alameda South transported to the Quercus plant on a purpose built conveyor belt,

3. Heap leaching all ore produced and transporting pregnant solution to the Quercus plant for processing, extraction and packaging.

The fourth scenario also considered mining and heap leaching Berkeley's more distant Retortillo and Santidad deposits.

4. Heap leaching Palacios, Sageras, Alameda South, Retortillo and Santidad and processing solution at the Quercus plant.

REVIEW AND RESULTS OF OPERATIONS (Continued)

The Scoping Study concluded:

- Cash operating costs under the various scenarios in the Study ranged from US$26.15 - $29.65 per lb of U_3O_8 produced over the life of the Project, including a very high standard of rehabilitation.
- Capital costs to re-commission the Quercus plant fully loaded with a 20% contingency and based on all new equipment - range from US$51.3m for the heap leach scenarios, to US$88.9m for the tank leach scenarios.
- The Study was based on mining a number of deposits within the ENUSA State Reserves, which collectively had exploration targets ranging from 28.0-34.1Mt of ore at grades of 440-540 ppm of U_3O_8 (Mineral Resources have subsequently been estimated for some of these deposits), as well as the Company's 100% owned Mineral Resources in the area.
- Mining is relatively simple, shallow open pit mining with drill, blast, load and haul undertaken by local contractors. The average strip ratio for the various pits included in the Study ranges from 2.4:1 when including the Retortillo and Santidad deposits, or 1.9:1 without.
- The Project is already served by all necessary major infrastructure requirements.
- In order to allow comparison of the alternative scenarios, the Study assumed a uranium price of US$55/lb and production of 2.1m lbs pa of U_3O_8 over the Project life, effectively the permitted capacity of the Quercus Plant. Based on our current understanding, future modeling will also consider potential to increase the permitted capacity of the plant in order to optimize early cash flows. There are good reasons to expect the Project could ultimately produce for over 20 years, including feed from Retortillo and more distant or subsequent resources.
- The Study reviewed the environmental, permitting and social considerations for the Project and no substantial impediments have emerged. Discussions with various authorities indicate strong support for the Project at a local level. Permitting timelines indicate that Berkeley's objectives to re-commission production by 2012 are achievable.
- Berkeley always aims at world's best practice for environmental management and rehabilitation. The Scoping Study assumes, inter alia, that all mining voids will be double lined, backfilled and rehabilitated.

Confirmatory Drilling

In October 2009, Berkeley commenced a confirmatory diamond drilling program at the Salamanca Uranium Project, designed to verify and supplement the exploration targets at Palacios (previously Mina D), Sageras and Alameda within the ENUSA State Reserve licenses, to enable the estimation of Mineral Resources and to provide representative geotechnical and metallurgical samples.

Results to-date indicate a strong correlation with the historic exploration data for the Aguila Area (previously Mina Fe). These results have subsequently allowed Berkeley to announce first stage Mineral Resource Estimates for the Sageras, Palacios and Majuelos deposits. Ongoing drilling is intended to allow estimation of Mineral Resources for the Alameda exploration targets.

Additionally, the intersection of previously unknown mineralisation at depth illustrates the excellent potential of the Project to add substantial resources.

Parallel to the diamond drilling campaign, Berkeley is re-probing those historic drill holes in the deposits which remain accessible. To date, over 150 roto percussion holes at Palacios and Sageras have been relogged and the comparison of the Berkeley equivalent uranium grades (eU_3O_8) with the historical eU_3O_8 grades is excellent.

REVIEW AND RESULTS OF OPERATIONS (Continued)

Mineral Resource Estimates

Work on the Project to date has enabled the Company to complete initial Mineral Resource Estimates - announced on 26 February 2010. Initial estimates for the Aguila Area, and significant additions in the Retortillo Area have doubled Berkeley's total Mineral Resource base to over 52 Mlbs U_3O_8, as summarised in the table below:

Table 1 – MINERAL RESOURCE INVENTORY (200 ppm U_3O_8 Cut-off)

Deposit Name	Resource Category	Tonnes (Mt)	U_3O_8 (ppm)	U_3O_8 (t)	U_3O_8 (Mlbs)	Category (%)
Salamanca Uranium Project	Measured	5.6	403	2,262	5.0	11.6%
	Indicated	10.3	501	5,174	11.4	26.4%
	Subtotal M+I	**16.0**	**466**	**7,437**	**16.4**	**38.0%**
	Inferred	26.5	458	12,145	26.8	62.0%
	Total	***42.5***	***461***	***19,582***	***43.2***	***100.0%***
Gambuta Area	Inferred	11.3	371	4,174	9.2	100.0%
	Measured	5.6	403	2,262	5.0	9.5%
	Indicated	10.3	501	5,174	11.4	21.8%
	Subtotal M+I	**16.0**	**466**	**7,437**	**16.4**	**31.3%**
	Inferred	37.7	432	16,319	36.0	68.7%
BERKELEY	***Total***	***53.7***	***442***	***23,756***	***52.4***	***100.0%***

Confirmatory drilling at the substantial Alameda deposits, with an exploration target of 25.5-29 million tonnes at 450 – 500 ppm U_3O_8, is also well advanced.

NOTES:

– The Alameda deposits have been extensively explored by ENUSA but are not classed as Mineral Resources. The quantity and grade of Berkeley's exploration targets for the Alameda deposits are conceptual in nature and based on a review of the available data on the projects to date. As there has been insufficient exploration to estimate a Mineral Resource in accordance with the JORC Code, it is uncertain whether further exploration will result in the determination of a Mineral Resource.

– The information included in this report regarding the Mineral Resources is a summary. Full details on the most recent Mineral Resource Estimates, as at the date of this report, may be found in the ASX announcement dated 26 February 2010, which is available on the Company's Website: www.berkeleyresources.com.au

REVIEW AND RESULTS OF OPERATIONS (Continued)

Operating Results

Net operating loss after tax attributable to members for the half year ended 31 December 2009 was $4,956,939 (31 December 2008: $4,728,561).

This result included the following significant items:

- Exploration costs associated with the Company's Spanish uranium projects of $3,377,303 (31 December 2008: $3,712,310);
- Share based payments expense of $191,107 relating to the vesting of employee incentive options (31 December 2008: $462,780); and
- The minimum cash royalty payable by Berkeley's Spanish subsidiary, Minera de Rio Alagon SL ("MRA") to the original founders and vendors of MRA, was terminated by agreement in exchange for 750,000 Berkeley shares. An expense of $920,884 has been recognised comprising the fair value of the shares issued of $885,000 and a foreign exchange loss on consolidation of $35,884.

CORPORATE

The following material corporate events occurred during or since the end of the half year ended 31 December 2009:

- On 14 September 2009, Mr Stephen Dattels resigned as a Director of the Company;
- On 29 October 2009, the Company issued 250,000 Unlisted Options to an employee in accordance with the Company's Employee Options Scheme. The Options are exercisable for $1.00 each on or before 19 June 2012. Vesting conditions apply;
- On 17 November 2009, the Company announced that Mr Ian Stalker had been appointed the new Managing Director and CEO of Berkeley. The appointment was effective on 30 November 2009. After an initial transition period, the previous Managing Director, Mr Matthew Syme, became a non-Executive Director with effect from 1 February 2010;
- On 2 December 2009, Berkeley announced that the Scoping Study undertaken by the Company on its Salamanca Uranium Project had strongly demonstrated the technical and economic viability of the Project. A summary of the Scoping Study and it's conclusions are included in the Review of Operations above, and full details are available in the Company's announcement to the ASX;
- On 23 December 2009, the Company agreed to restructure the royalty commitments of it's Spanish subsidiary, Minera de Rio Alagon SL ("MRA"), to the original founders and vendors of MRA;

  The previous royalty of 3% applied to production from MRA properties and included an accelerating minimum cash royalty, which was payable from 1 April 2009. In order to remove some ambiguity inherent in the previous agreement, the parties agreed to replace the previous royalty with a 1% royalty on all Berkeley's future uranium production in Spain and Portugal, including potentially non-MRA properties.

  The minimum cash royalty was also terminated, in exchange for issue to the MRA vendors of 750,000 new ordinary fully paid shares in the Company;
- On 12 January 2010, Berkeley advised that it had agreed to terminate the Heads of Agreement entered with AREVA NC in March 2006. As a consequence, any rights previously granted to AREVA for off-take or marketing of uranium production from Berkeley's projects was terminated with immediate effect;

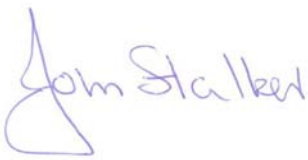
CORPORATE (Continued)

- On 25 January 2010, AREVA NC exercised their 10.6 million unlisted primary options in Berkeley contributing A$7.17 million to Berkeley's cash position;
- On 26 February 2010, the Company announced the completion of the first stage Mineral Resource Estimates, reported in accordance with the JORC Code (2004), for the Salamanca Uranium Project in Spain. Initial estimates for the Águila Area (previously Mina Fe), and significant additions in the Retortillo Area have doubled Berkeley's total Mineral Resource base to over 52 Mlbs U_3O_8. Further information on the Mineral Resource Estimates are included in the Review of Operations above, and in the Company's announcement to the ASX; and
- In the period from 1 July 2009 until the date of this report, a total of 17,870 Listed Options have been exercised, raising $13,402.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Stantons International, to provide the Directors of Berkeley Resources Limited with an Independence Declaration in relation to the audit of the half year financial report. This Independence Declaration is on page 20 and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.



JOHN (IAN) STALKER
Managing Director

16 March 2010

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Ross Corben, who is a Member of The Australian Institute of Mining and Metallurgy and an employee of Berkeley Resources Limited. Mr. Corben 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. Corben consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

(a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:

   (i) section 304 (compliance with accounting standards and Corporations Regulations 2001); and

   (ii) section 305 (true and fair view); and

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

On behalf of the Board

John Stalker

JOHN (IAN) STALKER
Managing Director

16 March 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Half Year Ended 31 December 2009 $	Half Year Ended 31 December 2008 $
Revenue from continuing operations	4	**412,568**	**515,644**
Administration costs		(826,299)	(673,522)
Business development costs		(54,966)	(260,044)
Exploration costs		(3,377,303)	(3,712,310)
Provision for capitalised exploration expenditure		-	(137,000)
Royalty termination	10	(920,884)	-
Share based payments expense		(191,107)	(462,780)
Loss before income tax		**(4,957,991)**	**(4,730,012)**
Income tax expense		-	-
Loss for the half year		**(4,957,991)**	**(4,730,012)**
Other comprehensive income			
Exchange differences arising on translation of foreign operations		(828,656)	449,354
Income tax on other comprehensive income		-	-
Other comprehensive income/(loss) for the half year		(828,656)	449,354
Total comprehensive loss for the half year		**(5,786,647)**	**(4,280,658)**
Loss attributable to:			
Non controlling interest		(1,052)	(1,451)
Members of Berkeley Resources Limited		(4,956,939)	(4,728,561)
Loss for the half year		**(4,957,991)**	**(4,730,012)**
Total comprehensive loss attributable to:			
Non controlling interest		(1,098)	(1,487)
Members of Berkeley Resources Limited		(5,785,549)	(4,279,171)
Comprehensive loss for the half year		**(5,786,647)**	**(4,280,658)**
Earnings per share			
Basic earnings per share (cents per share)		(4.01)	(4.56)
Diluted earnings per share (cents per share)		(4.01)	(4.56)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Note	31 December 2009 $	30 June 2009 $
ASSETS			
Current Assets			
Cash and cash equivalents		9,415,855	11,479,554
Other financial assets		48,334	107,956
Trade and other receivables		128,059	1,529,241
Total Current Assets		**9,592,248**	**13,116,751**
Non-current Assets			
Exploration expenditure		13,760,860	14,388,045
Property, plant and equipment		452,136	520,590
Other financial assets		283,799	279,276
Total Non-current Assets		**14,496,795**	**15,187,911**
TOTAL ASSETS		**24,089,043**	**28,304,662**
LIABILITIES			
Current Liabilities			
Trade and other payables		1,379,513	838,902
Provisions		140,226	197,812
Other financial liabilities		14,454	10,768
Total Current Liabilities		**1,534,193**	**1,047,482**
TOTAL LIABILITIES		**1,534,193**	**1,047,482**
NET ASSETS		**22,554,850**	**27,257,180**
EQUITY			
Issued capital	6	50,284,455	49,391,245
Reserves	7	5,729,319	6,366,822
Accumulated losses		(33,458,924)	(28,501,985)
Parent Interest		**22,554,850**	**27,256,082**
Non controlling interest	5	-	1,098
TOTAL EQUITY		**22,554,850**	**27,257,180**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

Berkeley Resources Ltd

	Attributable to Equity Holder of the Parent						
	Issued Capital $	Option Premium Reserve $	Foreign Currency Translation Reserve $	Accumu-lated Losses $	Total $	Non Controlling Interest $	Total Equity $
As at 1 July 2008	**41,444,842**	**4,472,973**	**(23,704)**	**(20,890,335)**	**25,003,776**	**1,487**	**25,005,263**
Total comprehensive loss for the period:							
Net loss for the period	-	-	-	(4,728,561)	(4,728,561)	(1,451)	(4,730,012)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	449,390	-	449,390	(36)	449,354
Total comprehensive income/(loss)	-	-	449,390	(4,728,561)	(4,279,171)	(1,487)	(4,280,658)
Transactions with owners, recorded directly in equity							
Expiry of Incentive Options	-	(2,357,250)	-	2,357,250	-	-	-
Cancellation of Incentive Options – Vested	-	(40,306)	-	40,306	-	-	-
Cancellation of Incentive Options – Unvested	-	(38,788)	-	-	(38,788)	-	(38,788)
Share based payments	-	501,567	-	-	501,567	-	501,567
As at 31 December 2008	**41,444,842**	**2,538,196**	**425,686**	**(23,221,340)**	**21,187,384**	**-**	**21,187,384**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2009
(Continued)

Berkeley
Resources Ltd

	Attributable to Equity Holder of the Parent						
	Issued Capital $	Option Premium Reserve $	Foreign Currency Translation Reserve $	Accumu-lated Losses $	Total $	Non Controlling Interest $	Total Equity $
As at 1 July 2009	**49,391,245**	**6,551,532**	**(184,710)**	**(28,501,985)**	**27,256,082**	**1,098**	**27,257,180**
Total comprehensive loss for the period:							
Net loss for the period	-	-	-	(4,956,939)	(4,956,939)	(1,052)	(4,957,991)
Other comprehensive income:							
Exchange differences arising on translation of foreign operations	-	-	(828,610)	-	(828,610)	(46)	(828,656)
Total comprehensive income/(loss)	-	-	(828,610)	(4,956,939)	(5,785,549)	(1,098)	(5,786,647)
Transactions with owners, recorded directly in equity							
Exercise of options	13,402	-	-	-	13,402	-	13,402
Share based payments	885,000	191,107	-	-	1,076,107	-	1,076,107
Share issue costs	(5,192)	-	-	-	(5,192)	-	(5,192)
As at 31 December 2009	**50,284,455**	**6,742,639**	**(1,013,320)**	**(33,458,924)**	**22,554,850**	**-**	**22,554,850**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Half Year Ended 31 December 2009 $	Half Year Ended 31 December 2008 $
Cash flows from operating activities		
Payments to suppliers and employees	(2,048,371)	(4,575,424)
Interest received	156,817	618,784
Grant income received	267,551	-
Net cash outflows from operating activities	**(1,624,003)**	**(3,956,640)**
Cash flows from investing activities		
Payments for capitalised exploration expenditure	(54,943)	(67,592)
Payments for plant and equipment	(45,168)	(15,087)
Other financial assets	(9,529)	(90,868)
Net cash outflow from investing activities	**(109,640)**	**(173,547)**
Cash flows from financing activities		
Proceeds from issue of shares	13,402	-
Share issue expenses	(96,110)	-
Net cash outflow from financing activities	**(82,708)**	**-**
Net decrease in cash and cash equivalents	**(1,816,351)**	**(4,130,187)**
Foreign exchange (loss)/gain on opening cash	(247,348)	223,453
Cash and cash equivalents at the beginning of the half year	11,479,554	18,171,171
Cash and cash equivalents at the end of the half year	**9,415,855**	**14,264,437**

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. REPORTING ENTITY

Berkeley Resources Limited (the "Company") is a company domiciled in Australia. The interim financial report of the Company is as at and for the six months ended 31 December 2009.

The annual financial report of the Company as at and for the year ended 30 June 2009 is available upon request from the Company's registered office.

2. STATEMENT OF COMPLIANCE

The interim financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the information of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Berkeley Resources Limited for the year ended 30 June 2009 and any public announcements made by Berkeley Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim financial report was approved by the Board of Directors on 15 March 2010.

(a) Basis of Preparation of Half Year Financial Report

The principal accounting policies adopted in the preparation of the financial report have been consistently applied to all the periods presented, unless otherwise stated.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS') and with International Financial Reporting Standards ("IFRS").

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies applied by the Consolidated Entity in this consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report for the year ended 30 June 2009, except as stated below.

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2009. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- the adoption of the single statement approach to the presentation of the statement of comprehensive income; and
- other financial statements are renamed in accordance with the Standard.

Operating Segments

The Consolidated Entity has 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 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.

4. REVENUE FROM CONTINUING OPERATIONS

	Consolidated 31 December 2009 $	Consolidated 31 December 2008 $
Interest revenue	145,017	515,644
Grant revenue	267,551	-
	412,568	**515,644**

5. NON CONTROLLING INTEREST

	Consolidated 31 December 2009 $	Consolidated 30 June 2009 $
Interest in		
Capital	17,670	17,670
Reserves	(336)	(290)
Accumulated Losses	(17,334)	(16,282)
	-	**1,098**

The minorities do not fund any exploration costs and their interests dilute as the funds advanced by Berkeley Resources Ltd are converted into shares. At 31 December 2009 the minorities share of losses exceed their share of issued capital and reserves. The minority losses in excess of their share of equity are immaterial and have been allocated to Berkeley Resources Ltd.

6. CONTRIBUTED EQUITY

(a) Issued and Paid Up Capital

	Consolidated 31 December 2009 $	Consolidated 30 June 2009 $
124,239,149 (30 June 2009: 123,471,279) fully paid ordinary shares	50,284,455	49,391,245

(b) Movements in Ordinary Share Capital During the Past Six Months:

Date	Details	Number of Shares	Issue Price $	$
Half Year Ended 31 December 2009				
1 Jul 2009	**Opening balance**	**123,471,279**		**49,391,245**
23 Dec 2009	Issue of Shares	750,000	1.18	885,000
Various	Exercise of Options	17,870	0.75	13,402
	Share issue expenses	-		(5,192)
31 Dec 2009	**Closing balance**	**124,239,149**		**50,284,455**

7. RESERVES

(a)

	Consolidated 31 December 2009 $	Consolidated 30 June 2009 $
Option Reserve		
12,921,886 (30 June 2009: 12,939,756) $0.75 listed options	2,008,800	2,008,800
10,600,000 (30 June 2009: 10,600,000) $0.70 unlisted options	687,546	687,546
2,500,000 (30 June 2009: 2,500,000) $1.00 unlisted options	1,477,000	1,477,000
2,160,000 (30 June 2009: 2,160,000) $1.86 employee incentive options	2,297,980	2,162,448
1,037,500 (30 June 2009: 787,500) $1.00 employee incentive options	271,313	215,738
	6,742,639	**6,551,532**
Foreign currency translation reserve	**(1,013,320)**	**(184,710)**
	5,729,319	**6,366,822**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009
(Continued)

Berkeley
Resources Ltd

7. RESERVES (Continued)

(b) Movements in Options During the Past Six Months Were as Follows:

Date	Details	Number of Listed Options	Number of $0.70 Unlisted Options	Number of $1.00 Unlisted Options	Number of $1.86 Incentive Options	Number of $1.00 Incentive Options	Deemed Grant Value $	$
1 Jul 09	Opening Balance	**12,939,756**	**10,600,000**	**2,500,000**	**2,160,000**	**787,500**		**6,551,532**
6 Jul 09	Exercise of Options	(13,971)	-	-	-	-		-
3 Aug 09	Exercise of Options	(683)	-	-	-	-		-
7 Sep 09	Exercise of Options	(379)	-	-	-	-		-
29 Oct 09	Grant to Employees (i)	-	-	-	-	250,000	0.50	-
31 Oct 09	Exercise of Options	(237)	-	-	-	-		-
30 Nov 09	Exercise of Options	(2,600)	-	-	-	-		-
31 Dec 09	Options vesting expense	-	-	-	-	-		191,107
31 Dec 09		**12,921,886**	**10,600,000**	**2,500,000**	**2,160,000**	**1,037,500**		**6,742,639**

(i) Incentive options granted to employees and consultants of the Company following shareholder approval in accordance with Employee Share Scheme. The fair value is recognised over the period during which the option holders become unconditionally entitled to the options (ie the date of vesting of the options), the latest date for which is 19 June 2011.

7. RESERVES (Continued)

(c) Foreign Currency Translation Reserve

	Consolidated 31 December 2009 $	Consolidated 30 June 2009 $
Opening Balance	**(184,710)**	**(23,704)**
Translation of foreign operations	(828,610)	(161,006)
Closing Balance	**(1,013,320)**	**(184,710)**

8. CONTINGENT LIABILITIES AND COMMITMENTS

Other than as outlined below, there has been no material change in contingent liabilities or commitments as at the last annual reporting date:

- On 23 December 2009, the Company agreed to restructure the royalty commitments of it's Spanish subsidiary, Minera de Rio Alagon SL ("MRA"), to the original founders and vendors of MRA.

  The previous royalty of 3% applied to production from MRA properties and included an accelerating minimum cash royalty, which was payable from 1 April 2009. The parties agreed to replace the previous royalty with a 1% royalty on all Berkeley's future uranium production in Spain and Portugal, including potentially non-MRA properties.

  The minimum cash royalty was also terminated, in exchange for issue to the MRA vendors of 750,000 new ordinary fully paid shares in the Company. The minimum cash royalty payable for the final period to 23 December 2009 was accrued at 31 December 2009 and has been paid post year end.

9. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the half year.

10. SHARE BASED PAYMENTS

On 29 October 2009, 250,000 incentive options were granted to an employee of the Company pursuant to the Employee Option Scheme which has received shareholder approval. The exercise price of the incentive options is $1.00 each and, subject to vesting conditions, the options are exercisable on or before 19 June 2012. The incentive options have been independently valued using the Binomial option valuation model, taking into account the terms and conditions upon which the incentive options were granted. The following table lists the inputs to the model used in determining the value:

Share Price at Grant Date	$0.945
Dividend yield	-
Volatility	85%
Risk-free interest rate	5.13%
Expected life of option	2.64 years

The estimated fair value of each incentive option is $0.50.

10. SHARE BASED PAYMENTS (Continued)

On 23 December 2009 the Company agreed to restructure the royalty commitments to the original founders and vendors of Berkeley's Spanish subsidiary, Minera de Rio Alagon SL ("MRA"). As part of the agreement, the minimum cash royalty payable under the acquisition and Joint Venture Agreement dated 28 September 2005 will be terminated, in exchange for the issue to the MRA vendors of 750,000 new ordinary fully paid shares in the Company. These shares have been valued using the weighted average market share price on 23 December 2009, the day of issue. The fair value of each share issued is $1.18 giving a total value of $885,000.

An expense of $920,884 has been recognised in the profit and loss for the termination of the minimum cash royalty, comprising the fair value of the shares issued of $885,000 and a foreign exchange loss on consolidation of $35,884.

11. SUBSEQUENT EVENTS AFTER BALANCE DATE

Other than the events below, there were no significant events occurring after balance date requiring disclosure:

- On 12 January 2010, Berkeley advised that it had agreed to terminate the Heads of Agreement entered with AREVA NC in March 2006. As a consequence, any rights previously granted to AREVA for off-take or marketing of uranium production from Berkeley's projects was terminated with immediate effect;

- On 25 January 2010, AREVA NC exercised their 10.6 million unlisted primary options in Berkeley contributing A$7.17 million to Berkeley's cash position.

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16 March 2010

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

Dear Sirs

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 Audit Director for the review of the financial statements of Berkeley Resources Limited for the half year ended 31 December 2009 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 review; and

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

Yours faithfully
STANTONS INTERNATIONAL
(Authorised Audit Company)

J P Van Dieren
Director

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
BERKELEY RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Berkeley Resources Limited, which comprises the condensed statement of financial position as at 31 December 2009, and the condensed statement of comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, a condensed statement of accounting policies, other selected explanatory notes and the directors' declaration for Berkeley Resources Limited ("the consolidated entity"). The consolidated entity comprises both Berkeley Resources Limited (the company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Berkeley Resources Limited ("the company") are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of Interim Financial and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Berkeley Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Berkeley Resources Limited on 16 March 2010.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Berkeley Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL
(An Authorised Audit Company)

John Van Dieren - FCA
Director

West Perth, Western Australia
16 March 2010