Berkeley
Resources Ltd

Interim Financial Report for the Half Year Ended 31 December 2012

ABN 40 052 468 569

CORPORATE DIRECTORY

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

Company Secretary
Mr Clint McGhie

Registered Office
Level 9, BGC Centre
28 The Esplanade
Perth WA 6000
Australia

Telephone: +61 8 9322 6322
Facsimile: +61 8 9322 6558

Spanish Office
Berkeley Minera Espana, S.A.
Carretera SA-451, Km 30
37495 Retortillo
Salamanca
Spain

Telephone: +34 923 193 903

Auditor
Stantons International

Website
www.berkeleyresources.com.au

Email
info@berkeleyresources.com.au

Share Registry
Australia
Computershare Investor Services Pty Ltd
Level 2
45 St George's Terrace
Perth WA 6000
Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

United Kingdom
Computershare Investor Services Plc
PO Box 82
The Pavillions
Bridgwater Road
Bristol BS99 7NH
Telephone: +44 870 889 3105

Stock Exchange Listing
Australia
Australian Securities Exchange
Home Branch – Perth
2 The Esplanade
Perth WA 6000

United Kingdom
London Stock Exchange – AIM
10 Paternoster Square
London EC4M 7LS

ASX Code
BKY – Fully paid ordinary shares
BKYO – $0.75 Listed Option

AIM TIDM
BKY – Fully paid ordinary shares

CONTENTS

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 2012 ("Consolidated Entity").

DIRECTORS

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

Mr Ian Middlemas
Dr James Ross
Mr Robert Behets
Mr Matthew Syme (Resigned 2 August 2012)
Señor Jose Ramon Esteruelas (Resigned 29 November 2012)

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

REVIEW OF OPERATIONS AND ACTIVITIES

Berkeley is a uranium exploration and development company with a quality resource base in Spain. The Company has a 100% interest in a total Mineral Resource estimated at 61.0 million pounds of contained U_3O_8 with an average grade of 430 ppm (at a cut-off grade of 200 ppm U_3O_8).

During the half year, the Company focused on advancing its wholly owned flagship Salamanca Project, which comprises the Retortillo and Alameda deposits plus a number of other Satellite deposits, through the development phase.

The results of a Scoping Study completed in late 2012 confirmed the technical and economic viability of the Salamanca Project and its potential to support a significant scale, long life uranium mining operation. Accordingly, the Company has commenced a Pre-Feasibility Study ('PFS').

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

(i) A positive Scoping Study for the Salamanca Project

The Company announced the results of a positive Scoping Study in November which confirmed the technical and economic viability of the Salamanca Project, including:

- Initial mine life of 11 years, including 7 years steady state operation, with strong potential to increase;
- Steady state annual production of 3.2 million pounds U_3O_8, with average annual production of 2.6 million pounds U_3O_8 over the life of mine;
- Life of mine average operating costs of US$25.65 per pound of U_3O_8;
- Upfront capital cost of US$83.6 million to deliver initial production. A further US$95.0 million, incurred in the second year of production and largely funded from operating cashflow, to achieve steady state operation.

(ii) Commencement of Pre-Feasibility Study

Pre-Feasibility Study commenced, targeting completion in the third quarter of 2013. The study was awarded to Johannesburg based SENET, who will be assisted by SRK Consulting for mine design, Knight Piesold for heap design and Duro Felguera for the in-country project cost estimates. Additional testwork is also being carried out at the Mintek facilities in Johannesburg and ANSTO laboratories in Sydney.

(iii) Advancement of Permitting

The permitting process for Retortillo continued to advance with the Company's responses to the submissions received during the 30 day Public Information Period being delivered to the relevant authorities for their review and evaluation. The Nuclear Safety Council has also confirmed that all required information for the preparation of their compulsory report regarding the mining activities, and for the Initial Authorization of the process plant as a radioactive facility has been submitted.

The permitting process for Alameda was initiated with the submission to the relevant authorities of the Environmental Scoping Document and documentation associated with the application for reclassification (from rural to industrial use) of the affected surface land area.

(iv) Resource Update

An updated Mineral Resource Estimate ('MRE') for Gambuta estimated at 12.7 million tonnes averaging 394 ppm U_3O_8 for a contained 11.1 million pounds of U_3O_8 at a lower cut-off grade of 200 ppm U_3O_8 was reported in October.

As at the date of this report, the Company has a 100% interest in a total Mineral Resource estimated at 61.0 million pounds of contained U_3O_8 with an average grade of 430 ppm (at a cut-off grade of 200 ppm U_3O_8).

Salamanca Project

The Salamanca Project ('the Project') comprises the Retortillo, Alameda and Gambuta deposits plus a number of other Satellite deposits located in western Spain (Figure 1).

Figure 1: Location of the Salamanca Project, Spain

The results of a PFS completed in early 2012 confirmed the technical and economic viability of a stand-alone project exploiting Retortillo, whilst Alameda formed part of a separate Feasibility Study completed in 2011.

In November 2012, the Company completed an initial assessment of the integrated development of Retortillo and Alameda and reported the results of the Scoping Study ('the Study').

The Study was managed by Berkeley with input from a number of industry-recognised specialist consultants covering the key disciplines. The Study incorporated all of the information generated from the previous studies conducted on Retortillo and Alameda, as well as additional drilling and metallurgical testwork data.

Scoping Study Results

Using only the current Mineral Resource Estimates for Retortillo and Alameda, which total 33.9 million pounds U_3O_8 (35.9 million tonnes at 429 ppm; 200 ppm U_3O_8 cut-off grade), as a base case scenario, the Project can support an average annual production of 3.2 million pounds of U_3O_8 during the seven years of steady state operation and 2.6 million pounds of U_3O_8 over a minimum eleven year mine life. There is strong potential to increase the production profile and 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 Study was based on open pit mining, heap leaching, 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 Company currently favours a contractor mining scenario. The average annual ore processing rate during steady state operation is 5.5 million tonnes. Operating cost estimates average US$25.65 per pound U_3O_8 over the life of mine.

The initial capital cost (nominally ± 30% accuracy) for the Project is estimated at US$83.6 million. This cost is inclusive of all mine, processing, infrastructure and indirect costs required to develop and commence production at Retortillo. A further US$95.0 million of capital, incurred in the second year of production and largely funded from operating cashflow, 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).

The Directors are encouraged by the positive results of the Scoping Study which clearly demonstrate the potential of the integrated Salamanca Project to support a significant scale, long life uranium mining operation. Further details on the Study are available in the Company's ASX Announcement dated 29 November 2012.

PFS

Following completion of the Scoping Study, Berkeley commenced a PFS for the Salamanca Project. The PFS was awarded to the Johannesburg based company SENET, which will develop the study assisted by SRK Consulting for the mine design, Knight Piesold for the heaps design and Duro Felguera for the in-country project cost estimates.

The Company will undertake a more detailed mine scheduling and materials movement optimisation study, metallurgical testwork program and infrastructure assessment during the PFS phase, with the aim of identifying opportunities to further enhance the Project economics through capital and operating cost reductions. Resource infill and exploration drilling programs aimed at upgrading the resource classification and increasing the overall resource base also form part of the Study.

The PFS will be carried out with a confidence level of ±20% for both the capital and operating cost estimates and will include the design details required to be submitted to the Spanish Nuclear Safety Council as part of the Authorization for Construction process for the processing plant.

Further metallurgical testwork will be carried out at the Mintek laboratories in Johannesburg and the Australian Nuclear Science and Technology Organisation ('ANSTO') facilities in Sydney.

The testwork program at Mintek aims to confirm the leaching efficiency for each phase of the mine schedule and test ore variability with respect to size distribution and geo-mechanical behaviour. The ANSTO testwork program is designed to facilitate the selection of the optimal backend of the process, with the performance of direct Solvent Extraction ('SX') and ammonium diuranate ('ADU') precipitation being compared to ion exchange ('IX') and UO_4 precipitation.

Exploration and Drilling

Drilling activity during the half year included diamond drilling ('DD') at Retortillo and Alameda for resource definition, to provide drill core for metallurgical testwork and to provide drill core for geotechnical testwork. Details of the 1,949 metres of DD completed are summarised in Table 1.

Table 1: 2012 Drilling Summary

	DD Q3 2012		DD Q4 2012		DD Total	
	Holes	Metres	Holes	Metres	Holes	Metres
Retortillo	1	70	19	963	20	1,033
Alameda	1	44	18	872	19	916
Gambuta	-	-	-	-	-	-
Total	***2***	***114***	***37***	***1,836***	***39***	***1,949***

Mineral Resources

The current MRE's for all deposits is tabulated below (using a 200ppm U_3O_8 cut-off grade) incorporating the results from the recent drilling campaigns and together with previously obtained information.

Table 2: Berkeley Resources - Mineral Resource Statement as at December 2012 (using 200ppm U_3O_8 Cutoff)

SUMMARY RESOURCES	Resource Category	Tonnes (Mt)	U_3O_8 Grade (ppm)	U_3O_8 (t)	U_3O_8 (Mlbs)
Retortillo	Indicated	8.9	395	3,535	7.8
	Inferred	6.2	366	2,274	5.0
	TOTAL	***15.2***	***383***	***5,810***	***12.8***
Alameda	Indicated	20.0	455	9,107	20.1
	Inferred	0.7	657	468	1.0
	TOTAL	***20.7***	***462***	***9,576***	***21.1***
Other Satellite Deposits	Inferred	28.5	431	12,288	27.1
TOTAL RESOURCES	***Indicated***	***29.0***	***437***	***12,643***	***27.9***
	Inferred	***35.4***	***424***	***15,031***	***33.1***
	TOTAL	***64.4***	***430***	***27,674***	***61.0***

Permitting

The permitting process at Retortillo continues to advance. During the half year, a 30 day Public Information Period was held (completed in mid September) and the Company's responses to the submissions received were delivered to the relevant authorities for their review and evaluation. Follow-up discussions regarding appropriate mitigation measures have been held with the authorities. It is anticipated that the Project will be raised for mining and environmental approval within the first half of 2013.

The Initial Authorisation for the process plant as a radioactive facility is well advanced. The Nuclear Safety Council has informed Berkeley that they have all required information for the preparation of their compulsory report regarding the mining activities, and also for the Initial Authorization of the process plant as a radioactive facility. Both are anticipated during the June quarter of 2013.

Ancillary permits, such as those associated with water and roads, are also currently being advanced. Discussions have been held with the relevant authorities (including the Water Authority and Roads Department) and the required documentation submitted.

At Alameda, the Environmental Scoping Document and the documentation associated with the change of the zoning of rural land into that suitable for industrial purposes were submitted in November and December, respectively. The Exploitation Plan, Rehabilitation and Closure Plans and documents related to Radiological Protection will be prepared based on the design developed as part of the PFS, targeting submission of these documents by mid 2013.

Corporate

At 31 December 2012, the Group had cash reserves of A$32.5 million, with no debt. This puts the Group in a strong financial position as it looks to complete the PFS and progress the development of the Salamanca Project.

During the half year, Mr Matthew Syme and Senor Jose Ramon Esteruelas resigned as Non-Executive Directors of the Company, effective 2 August 2012 and 29 November 2012 respectively.

On 9 November 2012, the Company issued 750,000 $0.475 Incentive Options to a key employee of the Company. The options expire 22 December 2015 and 375,000 vest on 12 December 2013 and 375,000 vest on 12 December 2014.

In July 2012, Berkeley reached agreement with ENUSA on terms which provide the Company with a 100% interest in select uranium resources within State Reserves held by ENUSA.

Under the agreement, Berkeley holds a 100% interest in, and the exploitation rights to, State Reserves 28 and 29 (which include the substantial unmined Alameda deposit) whilst waiving its rights to mine in State Reserves where ENUSA has undertaken rehabilitation. Refer to ASX Announcement dated 24 July 2012 for further details.

Operating Results

The net operating loss after tax for the half year ended 31 December 2012 was $5,373,394 (2011: $8,752,860).

The loss for the period includes $5,640,251 (2011: $9,524,027) in exploration and evaluation expenditure and share based payment expenses of $142,952 (2011: $129,824) were also recognised during the half year.

SIGNIFICANT POST BALANCE DATE EVENTS

At the date of this report there were no significant events occurring after balance date requiring disclosure.

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 review of the half year financial report. This Independence Declaration is on page 17 and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.

Robert Behets
Non-Executive Director

14 March 2013

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Craig Gwatkin, who is a Member of The Australian Institute of Mining and Metallurgy and is 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.

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 financial statements and notes, as set out on pages 8 to 16, are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half year ended on that date.

(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

Robert Behets
Non-Executive Director

14 March 2013

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Berkeley Resources Ltd

	Note	Half Year Ended 31 December 2012 $	Half Year Ended 31 December 2011 $
Revenue from continuing operations	5	**850,849**	**1,367,406**
Exploration and evaluation costs		(5,640,251)	(9,524,027)
Corporate and administration costs		(440,038)	(466,415)
Share based payments expense		(142,952)	(129,824)
Loss on Sale of Asset		(1,002)	-
Loss before income tax		**(5,373,394)**	**(8,752,860)**
Income tax expense		-	-
Loss for the half year attributable to Members of Berkeley Resources Limited		**(5,373,394)**	**(8,752,860)**
Other comprehensive income, net of income tax:			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		319,225	263,195
Other comprehensive income/(loss) for the period, net of income tax		**319,225**	**263,195**
Total comprehensive loss for the half year attributable to Members of Berkeley Resources Limited		**(5,054,169)**	**(8,489,665)**
Earnings per share			
Basic earnings per share (cents per share)		(3.00)	(5.02)
Diluted earnings per share (cents per share)		(3.00)	(5.02)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

Berkeley Resources Ltd

	Note	31 December 2012 $	30 June 2012 $
ASSETS			
Current Assets			
Cash and cash equivalents		32,520,667	37,716,585
Trade and other receivables		597,682	621,269
Prepaid Expenditure		-	85,256
Total Current Assets		**33,118,349**	**38,423,110**
Non-current Assets			
Exploration expenditure	6	13,293,060	13,011,723
Property, plant and equipment		1,708,105	1,209,771
Other financial assets		57,730	100,504
Total Non-current Assets		**15,058,895**	**14,321,998**
TOTAL ASSETS		**48,177,244**	**52,745,108**
LIABILITIES			
Current Liabilities			
Trade and other payables		1,353,681	1,049,812
Other financial liabilities		12,258	104,524
Total Current Liabilities		**1,365,939**	**1,154,336**
TOTAL LIABILITIES		**1,365,939**	**1,154,336**
NET ASSETS		**46,811,305**	**51,590,772**
EQUITY			
Issued capital	7	119,061,776	118,930,526
Reserves	8	1,038,828	585,382
Accumulated losses		(73,289,299)	(67,925,136)
TOTAL EQUITY		**46,811,305**	**51,590,772**

The above Condensed Consolidated 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 2012

Berkeley Resources Ltd

	Issued Capital	Option Premium Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$	$
As at 1 July 2012	**118,930,526**	**4,363,630**	**(3,778,248)**	**(67,925,136)**	**51,590,772**
Total comprehensive loss for the period:					
Net loss for the period	-	-	-	(5,373,394)	(5,373,394)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	319,225	-	319,225
Total comprehensive income/(loss)	-	-	319,225	(5,373,394)	(5,054,169)
Transactions with owners, recorded directly in equity					
Transfer from option premium reserve	-	(9,231)	-	9,231	-
Share based payments	-	142,952	-	-	142,952
Option issue price	-	500	-	-	500
Exercise of Listed Options	71,250	-	-	-	71,250
Reversal of Shares Issue Expense	60,000	-	-	-	60,000
As at 31 December 2012	**119,061,776**	**4,497,851**	**(3,459,023)**	**(73,289,299)**	**46,811,305**
As at 1 July 2011	**117,624,295**	**6,194,728**	**(2,722,948)**	**(56,893,310)**	**64,202,765**
Total comprehensive loss for the period:					
Net loss for the period	-	-	-	(8,752,860)	(8,752,860)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	263,195	-	263,195
Total comprehensive income/(loss)	-	-	263,195	(8,752,860)	(8,489,665)
Transactions with owners, recorded directly in equity					
Share based payments	-	129,824	-	-	129,824
As at 31 December 2011	**117,624,295**	**6,324,552**	**(2,459,753)**	**(65,646,170)**	**55,842,924**

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 2012

Berkeley Resources Ltd

	Half Year Ended 31 December 2012 $	Half Year Ended 31 December 2011 $
Cash flows from operating activities		
Payments to suppliers and employees	(5,447,779)	(8,879,357)
Interest received	828,147	1,219,017
Net cash outflow from operating activities	**(4,619,632)**	**(7,660,340)**
Cash flows from investing activities		
Payments for property, plant and equipment	(574,221)	(117,069)
Payments for Exploration and Evaluation	(93,344)	-
Net cash outflow from investing activities	**(667,565)**	**(117,069)**
Cash flows from financing activities		
Proceeds from issue of securities	71,750	-
Transaction costs from issue of shares and options	-	-
Net cash inflow from financing activities	**71,750**	**-**
Net increase/(decrease) in cash and cash equivalents held	**(5,215,447)**	**(7,777,409)**
Cash and cash equivalents at the beginning of the period	**37,716,585**	**50,599,786**
Effects of exchange rate changes on cash and cash equivalents	19,529	(16,829)
Cash and cash equivalents at the end of the period	**32,520,667**	**42,805,548**

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 2012.

The annual financial report of the Company as at and for the year ended 30 June 2012 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 2012 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 13 March 2013.

(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 where applicable by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

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 2012, 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 2012. 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.

A range of amendments to Standards and Interpretations have been made which are available for early adoption for financial reporting periods beginning on or after 1 July 2012. New and revised standards and amendments thereof and interpretations effective for the current half-year that are relevant to the Consolidated Entity include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of new and revised Standards and Interpretations has not affected the amounts reported for the current or prior year. However the application of AASB 2011-9 has resulted in a change to the Group's presentation of, or disclosure in, its half year financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the representation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income

4. SEGMENT INFORMATION

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, being exploration for mineral resources within 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.

5. REVENUE FROM CONTINUING OPERATIONS

	Consolidated 31 December 2012 $	Consolidated 31 December 2011 $
Interest revenue	850,849	1,367,406
	850,849	**1,367,406**

6. NON-CURRENT ASSETS – EXPLORATION EXPENDITURE

	Consolidated 31 December 2012 $	Consolidated 30 June 2012 $
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	13,011,723	13,646,937
Net Additions	104,406	91,744
Foreign exchange differences	220,931	(726,958)
	13,337,060	**13,011,723**
Capitalised exploration expenditure written off	(44,000)	-
Balance at end of year	**13,293,060**	**13,011,723**

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$7.43m) 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 have 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.

7. CONTRIBUTED EQUITY

(a) Issued and Paid Up Capital

	Consolidated 31 December 2012 $	Consolidated 30 June 2012 $
174,393,273 (30 June 2012: 179,298,273) fully paid ordinary shares	119,061,776	118,930,526

7. CONTRIBUTED EQUITY (Continued)

(b) Movements in Ordinary Share Capital During the Six Month Period ended 31 December 2012:

Date	Details	Number of Shares	Issue Price $	$
1 Jul 12	**Opening Balance**	**179,298,273**		**118,930,526**
1 Jul 12	Reversal of Share Issue Expense	-		60,000
10 Aug 12	Exercise of listed options	95,000	0.75	71,250
31 Dec 12	**Closing Balance**	**179,393,273**		119,061,776

(c) Movements in Options During the Six Month Period ended 31 December 2012:

Date	Details	Number of Listed Options	Number of Incentive Options	Fair Value $	Share based payments reserve $
1 Jul 12	**Opening Balance**	**11,989,428**	**10,758,333**		**4,363,630**
1 Jul 12	Option issue proceeds	-	-		500
10 Aug 12	Exercise of listed options	(95,000)	-		-
9 Nov 12	Grant of $0.475 incentive Options expiring 22 December 2015	-	750,000	0.21	-
	Adjustment for expired options	-	(16,667)		(9,231)
	Share based payments expense(1)	-	-		142,952
31 Dec 12	**Closing Balance**	**11,894,428**	**11,491,666**		**4,497,851**

Note:
(1) The value of Incentive Options granted is recognised over the vesting period of the grant, in accordance with Australian Accounting Standards.

The following options have been issued over unissued capital as at 31 December 2012:

Listed Options

- 11,989,428 listed options at an exercise price of $0.75 each that expire on 15 May 2013.

Unlisted Options

.

- 1,000,000 unlisted options at an exercise price of $1.25 each that expire on 1 December 2013.
- 2,241,666 unlisted options at an exercise price of $1.35 each that expire on 18 June 2014.
- 1,750,000 unlisted options at an exercise price of $0.475 each that expire on 22 December 2015.
- 1,000,000 unlisted options at an exercise price of $0.41 each that expire on 21 September 2015.
- 5,500,000 unlisted options at an exercise price of $0.45 each that expire on 30 June 2016.

8. RESERVES

	31 December 2012 $	30 June 2012 $
(a) Reserves		
Share based payments reserve	4,497,851	4,363,630
Foreign exchange reserve	(3,459,023)	(3,778,248)
	1,038,828	**585,382**

9. CONTINGENT LIABILITIES AND COMMITMENTS

There was no material change in contingent liabilities or commitments as previously disclosed at the last reporting period.

10. DIVIDENDS PAID OR PROVIDED FOR

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

11. SUBSEQUENT EVENTS AFTER BALANCE DATE

As at the date of this report there were no significant events occurring after balance date requiring disclosure.

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

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

14 March 2013

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

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 review of the financial statements of Berkeley Resources Limited for the half-year ended 31 December 2012, 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 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
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

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 2012, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 Standard on Review Engagements ASRE 2410 *Review of a Financial Report 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 half year 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 2012 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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 14 March 2013.

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 2012 and of its performance for the half-year ended on that date; and

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

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

Stantons International Audit and Consulting Pty Ltd

John P Van Dieren
Director

West Perth, Western Australia
14 March 2013