



**Berkeley**  
Resources Ltd

**Interim Financial Report  
for the Half Year Ended  
31 December 2014**

**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

### 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-322, Km 30  
 37495 Retortillo  
 Salamanca  
 Spain

Telephone: +34 923 193 903

### Auditor

Stantons International

### Website

[www.berkeleyresources.com.au](http://www.berkeleyresources.com.au)

### Email

[info@berkeleyresources.com.au](mailto: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  
 Level 40, Central Park  
 152-158 St Georges Terrace  
 Perth WA 6000

#### United Kingdom

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

### ASX Code

BKY – Fully paid ordinary shares

### 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 2014 ('Consolidated Entity' or 'Group').

## 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

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 is currently focussed on advancing its wholly owned flagship Salamanca Project.

The Salamanca Project comprises the Retortillo, Alameda, Zona 7 and Gambuta deposits, plus a number of other Satellite deposits located in western Spain (see Figure 1).



*Figure 1: Location of the Salamanca Project, Spain*

### Highlights during the half year include:

- **Outstanding intercepts in 2014 drilling program at Zona 7:**
  - 2013 drilling program at Zona 7, the largest of the Retortillo Satellite Deposits, recorded significant high grade intersections at shallow depths and essentially doubled the strike extent of the mineralised zone;
  - 2014 drill program, completed in September, was aimed at infilling the zone of mineralisation delineated by 2013 drilling and extending it further to the south-west;
  - High grade mineralisation was again intersected at shallow depths (from surface to a maximum of 73 metres), with thicknesses up to 25 metres;
  - Outstanding intercepts from the 45 reverse circulation drill holes include:
    - **21 metres @ 3,101 ppm U<sub>3</sub>O<sub>8</sub>**
    - **19 metres @ 2,332 ppm U<sub>3</sub>O<sub>8</sub>**
    - **25 metres @ 2,005 ppm U<sub>3</sub>O<sub>8</sub>**
    - **21 metres @ 1,535 ppm U<sub>3</sub>O<sub>8</sub>**
    - **17 metres @ 1,517 ppm U<sub>3</sub>O<sub>8</sub>**
    - **20 metres @ 1,238 ppm U<sub>3</sub>O<sub>8</sub>**
  - Mineralisation remains open along the north-western margin, and along strike to the southwest.
- **Substantial increase in Zona 7 Resource:**
  - Zona 7 Mineral Resource Estimate ('MRE') increased to 30.1 Mlbs U<sub>3</sub>O<sub>8</sub> (previously 3.6 Mlbs);
  - Average grade of the MRE increased by 42% to 589 ppm U<sub>3</sub>O<sub>8</sub>;
  - 90% of the MRE within 50 metres of surface;
  - Salamanca Project total resource base increased by 43% to 88.2 Mlbs U<sub>3</sub>O<sub>8</sub>; and
  - The successful exploration drilling at Zona 7 and subsequent increase in resource highlights the significant exploration and resource growth potential of the broader Salamanca Project.
- **Scoping Study commenced to determine the optimum integration of Zona 7 with the development of Retortillo and Alameda, thereby potentially increasing the scale and/or mine life of the Project.**
- **Key inputs for the Salamanca Project Definitive Feasibility Study ('DFS') advanced:**
  - The DFS is currently focussed on the integrated development of Retortillo and Alameda however, Zona 7 will be incorporated following completion of the abovementioned Scoping Study;
  - The resource infill drilling program at Retortillo, aimed at upgrading sections of the resource to the Measured category, was completed. The data obtained from this infill drilling program will form the basis for a revised MRE, which is anticipated to be completed in the current quarter;
  - Metallurgical column leaching testwork for Retortillo was completed. Solvent extraction characterisation tests are now underway; and
  - Permeability and hydraulic conductivity tests were completed at Retortillo. The results of these tests, along with the pumping tests completed in the previous quarter, are currently being used to update the Retortillo hydrogeological model for incorporation into the DFS.

**Operations**

**Zona 7**

Zona 7 is located within 10 kilometres of the proposed centralised processing plant at Retortillo and there is scope to integrate it with planned development of Retortillo and Alameda, and potentially increase the level of production and/or mine life of the Salamanca Project.

A review of all available data for the regional tenements surrounding the existing resources in late 2012 identified the potential extension of Zona 7 to the southwest as a priority drill target. An 18 hole, 1,128 metre reverse circulation ('RC') drill program was subsequently completed in mid-2013 to test this priority target. This drilling, which was carried out on an approximately 400 metre by 100 metre grid, resulted in the mineralised zone being extended a further 1,200 metres to the southwest of the previous resource area.

Drilling

The 2014 drilling program, which comprised 45 RC holes for 2,923 metres and five diamond core ('DD') holes for 391 metres, was aimed at infilling the Zona 7 extension on a notional 100 metre by 100 metre grid.

The mineralisation intersected in the new infill holes showed good continuity of both thickness and grade exists between the previous broader spaced drill holes within the Zona 7 extension. 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 (Table 1).

**Table 1: Zona 7 - 2014 Drilling Program - Select Intercepts**

<b>Hole No.</b>	<b>Down Hole Intercept</b>	<b>From Depth (Down Hole)</b>
Z7R-102	21m @ 3,101 ppm U <sub>3</sub> O <sub>8</sub>	5m
Z7R-101	25m @ 2,005 ppm U <sub>3</sub> O <sub>8</sub> 17m @ 1,517 ppm U <sub>3</sub> O <sub>8</sub>	11m 50m
Z7R-104	21m @ 1,535 ppm U <sub>3</sub> O <sub>8</sub> 10m @ 501 ppm U <sub>3</sub> O <sub>8</sub>	2m 26m
Z7R-096	16m @ 1,014 ppm U <sub>3</sub> O <sub>8</sub>	5m
Z7R-112	19m @ 2,332 ppm U <sub>3</sub> O <sub>8</sub>	30m
Z7R-140	20m @ 1,238 ppm U <sub>3</sub> O <sub>8</sub>	13m
Z7R-138	12m @ 1,422 ppm U <sub>3</sub> O <sub>8</sub> 18m @ 825 ppm U <sub>3</sub> O <sub>8</sub>	32m 47m
Z7R-137	13m @ 1,067 ppm U <sub>3</sub> O <sub>8</sub>	20m
Z7R-142	20m @ 607 ppm U <sub>3</sub> O <sub>8</sub>	16m
Z7R-139	11m @ 652 ppm U <sub>3</sub> O <sub>8</sub> 10m @ 1,033 ppm U <sub>3</sub> O <sub>8</sub>	26m 40m
Z7R-114	4m @ 1,633 ppm U <sub>3</sub> O <sub>8</sub>	20m

The mineralisation remains open along the north-western margin, and along strike to the southwest. Both of these areas will be targeted in subsequent drilling campaigns.

Mineral Resource Estimate

The Mineral Resource Estimate ('MRE') for Zona 7 was updated in November 2014, incorporating additional drilling and sampling information from the 2013 and 2014 drilling campaigns. The MRE was classified as Inferred based on the guidelines recommended in the JORC Code (2012).

The MRE is reported at a lower cut-off grade of 200 ppm U<sub>3</sub>O<sub>8</sub> (Table 2), along with estimates showing the range of U<sub>3</sub>O<sub>8</sub> cut-off grades that would span the range applicable to open pit mining (Table 3).

**Table 2: Zona 7 - Mineral Resource Estimate**

<b>Zona 7 - Inferred Mineral Resource Estimate as at 25 November 2014</b>			
<b>Reported at a lower cut-off grade of 200 ppm U<sub>3</sub>O<sub>8</sub></b>			
<b>Domain</b>	<b>Tonnage (million tonnes)</b>	<b>Grade (U<sub>3</sub>O<sub>8</sub> ppm)</b>	<b>Contained U<sub>3</sub>O<sub>8</sub> (million pounds)</b>
2 / 3 / 4 / 5	5.1	318	3.6
6	18.1	665	26.6
<b>Total Inferred</b>	<b>23.2</b>	<b>589</b>	<b>30.1</b>

*All figures are rounded to reflect appropriate levels of confidence. Apparent differences occur due to rounding.*

**Table 3: Zona 7 - Grade Tonnage Table**

<b>Zona 7 - Inferred Mineral Resource Estimate as at 25 November 2014</b>			
<b>Lower Cut-off Grade (U<sub>3</sub>O<sub>8</sub> ppm)</b>	<b>Tonnage (million tonnes)</b>	<b>Grade (U<sub>3</sub>O<sub>8</sub> ppm)</b>	<b>Contained U<sub>3</sub>O<sub>8</sub> (million pounds)</b>
100	35.7	434	34.2
<b>200</b>	<b>23.2</b>	<b>589</b>	<b>30.1</b>
300	15.7	754	26.1
400	11.9	882	23.2
500	9.4	1,001	20.7

Zona 7 - Scoping Study

Given the significant scale, high grade and shallow depth of the Zona 7 deposit, the Company has commenced a Scoping Study to determine the optimum integration of Zona 7 with the development of Retortillo and Alameda, thereby potentially increasing the level of production and/or mine life of the Project.

The key considerations for the Scoping Study will be preferred mining and processing route, scale, throughput rate, mine life, infrastructure, community and environmental impacts.

### ***Retortillo / Alameda***

The Company has 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.

Using only the current MRE for Retortillo and Alameda, which total 34.5 million pounds U<sub>3</sub>O<sub>8</sub> (36.9 million tonnes at 424 ppm; 200 ppm U<sub>3</sub>O<sub>8</sub> cut-off grade), as a base case scenario, the PFS showed that the Project can support an average annual production of 3.3 million pounds of U<sub>3</sub>O<sub>8</sub> during the seven years of steady state operation and 2.7 million pounds of U<sub>3</sub>O<sub>8</sub> over a minimum eleven year mine life (refer ASX announcement dated 26 September 2013).

### Definitive Feasibility Study

The DFS for the Project commenced in 2014, with the key areas of focus including:

- 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), 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  $\pm 10\%$ ; 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).

During the half year a number of work programs providing key inputs to the DFS, including the resource infill drilling program at Retortillo, the metallurgical testwork program and hydrogeological studies for both sites, were advanced.

### *Drilling*

An infill drilling program at Retortillo, 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, was completed during the half year.

The program was designed to close the existing drill pattern down to a notional 35 metre by 35 metre pattern within the areas targeted while the core obtained from the DD drilling will facilitate enhanced geological and structural understanding of the deposit.

Following completion of the RC component of the program in September, the DD program was completed in November. In total, 69 RC holes for 4,693 metres and four DD holes for 291 metres were drilled.

The data obtained from this infill drilling program will form the basis for a revised MRE, which is anticipated to be completed and reported in April 2015.

### *Metallurgical Testwork*

The metallurgical testwork program being undertaken for three master composite samples, representative of various mining phases at Retortillo, commenced during the half year at the Mintek facilities in Johannesburg. The six metre column leaching testwork was completed and SX characterisation tests are now underway. Whilst final results are pending, the leaching characteristics observed are generally in line with expectation.

Preparation for the master composite samples for Alameda was completed however, the six metre column leaching testwork remain on hold pending completion of the higher priority Zona 7 Scoping Study.

### *Hydrogeology*

Hydrogeology testwork during the half year included four 72 hour pumping tests in the southern pit area at Retortillo which were designed to:

- Identify groundwater flows in non-fractured and fractured areas;
- Identify groundwater flow in sandstone; and
- Identify groundwater flow in a productive area.

The results will be used to update the hydrogeological model for the site.

Permeability and hydraulic conductivity tests were also carried out using the four DD holes at Retortillo. Data obtained from these tests are currently being used to update the Retortillo hydrogeological model.

At Alameda, work on updating the hydrogeological model for the site was completed and confirmed the outcome of the previous model included in the PFS.

### **Permitting**

Following the grant of the Mining Licence in April 2014, the approval processes associated with other key permits including the Initial Authorisation of the process plant as a radioactive facility and the Authorisation for Exceptional Use of the Land (application for reclassification from rural to industrial use) of the affected surface land area at Retortillo, continued to be the focus of permitting related activities during the half year.

All documentation required for the Initial Authorisation of the process plant as a radioactive facility, including the Radiological Analytical Study and Pre-Operational Surveillance Plan have been submitted by Berkeley and reviewed by technical staff within the Nuclear Safety Council ('NSC'). The Company has subsequently provided responses to all queries/requests for clarification put forward by the NSC technical staff. The Initial Authorisation is now pending review and approval of the documentation by the NSC Board.

The Company submitted additional documentation pertaining to the application for Exceptional Use of the Land at Retortillo to the municipalities of Retortillo and Villavieja de Yeltes in November, as requested by the Commission of Environment and Urbanism of Salamanca. A number of follow-up meetings have been held with the relevant authorities and Berkeley's application will be placed on the agenda of a meeting of the Commission of Environment and Urbanism of Salamanca (the substantive authority) in the coming months.

The permitting process for Alameda also continued, with the Exploitation Plan and Rehabilitation and Closure Plan being submitted to the Ministry of Industry of the Central Government in October. The Environmental Scoping Document was also submitted to the Ministry of Industry in December and an introductory meeting held with the Environment Department of the Central Government following the submission. All key documentation associated with the Initial Authorisation of the processing facilities at Alameda as a radioactive facility has now been drafted. These documents will be finalised once feedback is received on the Environmental Scoping Document.

A stand-alone permitting process is required for Zona 7 however, the substantive regulatory authorities are the same as those involved in the Retortillo process. The documents required to commence the Environmental and Mining Licence processes will be prepared and submitted following completion of the Zona 7 Scoping Study and initial Environmental and Radiological Protection baseline studies.

### Corporate

At 31 December 2014, the Company had cash reserves of A\$16.1 million.

During the period, the Group completed an internal group restructure resulting in the merger of Spanish subsidiary entities, Berkeley Minera Espana, S.L. ('BME') and Minera de Rio Alagon, S.L., with BME the surviving entity. The merger consolidates all of the Salamanca Project licences under BME's ownership and is expected to provide significant advantages to the Group in permitting, stakeholder engagement, financing and reduction in administration/compliance costs. There is no impact on the Consolidated Entity from an accounting perspective.

### Operating Results

The net operating loss after tax for the half year ended 31 December 2014 was \$3,995,289 (2013: \$4,186,622).

The loss for the period includes \$3,557,219 (2013: \$3,953,140) in exploration and evaluation expenditure and share based payment expenses of \$186,616 (2013: \$526,778) 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 19 and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.



**Robert Behets**  
Non-Executive Director

12 March 2015

**Competent Persons Statement**

The information in this report that relates to 2014 Mineral Resources for Zona 7 is extracted from the report entitled 'Salamanca Project Total Resource Increased By 43% to 88.2 Mlbs U<sub>3</sub>O<sub>8</sub> following Substantial Increase In Zona 7 Resource' dated 26 November 2014 and is available to view on Berkeley's website at [www.berkeleyresources.com.au](http://www.berkeleyresources.com.au). The information in the original ASX Announcement that relates to the 2014 Mineral Resources for Zona 7 was based on information compiled by Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by Maja Mining Limited, an independent consulting company. Mr Titley 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 and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. 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 report that relates to 2014 Exploration Results is extracted from the reports entitled 'Thick, High Grade Mineralisation Intersected at Zona 7' dated 18 August 2014 and 'Further Thick, High Grade Drill Intersections at Zona 7' dated 10 November 2014 which are available to view on Berkeley's website at [www.berkeleyresources.com.au](http://www.berkeleyresources.com.au). The information in the original ASX Announcements that relate to the 2014 Exploration Results is based on information compiled by Robert Behets, a Competent Person 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 report 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](http://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](http://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.

## 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 10 to 18, 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 2014 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**

12 March 2015

**CONDENSED CONSOLIDATED STATEMENT OF  
PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2014



	Note	Half Year Ended 31 December 2014 \$	Half Year Ended 31 December 2013 \$
<b>Revenue from continuing operations</b>	5	<b>314,580</b>	<b>806,487</b>
Exploration and evaluation costs		(3,557,219)	(3,953,140)
Corporate and administration costs		(566,034)	(513,191)
Share based payments expense		(186,616)	(526,778)
<b>Loss before income tax</b>		<b>(3,995,289)</b>	<b>(4,186,622)</b>
Income tax expense		-	-
<b>Loss for the half year attributable to Members of Berkeley Resources Limited</b>		<b>(3,995,289)</b>	<b>(4,186,622)</b>
<b>Other comprehensive income, net of income tax:</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		264,586	877,694
<b>Other comprehensive income/(loss) for the period, net of income tax</b>		<b>264,586</b>	<b>877,694</b>
<b>Total comprehensive loss for the half year attributable to Members of Berkeley Resources Limited</b>		<b>(3,730,703)</b>	<b>(3,308,928)</b>
<b>Earnings per share</b>			
Basic loss per share (cents per share)		(2.22)	(2.33)
Diluted loss per share (cents per share)		(2.22)	(2.33)

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 2014



	Note	31 December 2014 \$	30 June 2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		16,162,995	20,245,401
Trade and other receivables		783,610	549,183
<b>Total Current Assets</b>		<b>16,946,605</b>	<b>20,794,584</b>
<b>Non-current Assets</b>			
Exploration expenditure	6	14,523,864	14,268,990
Property, plant and equipment		1,773,060	1,785,251
Other financial assets		125,769	132,003
<b>Total Non-current Assets</b>		<b>16,422,693</b>	<b>16,186,244</b>
<b>TOTAL ASSETS</b>		<b>33,369,298</b>	<b>36,980,828</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		1,047,736	1,130,791
Other financial liabilities		283,641	268,029
<b>Total Current Liabilities</b>		<b>1,331,377</b>	<b>1,398,820</b>
<b>TOTAL LIABILITIES</b>		<b>1,331,377</b>	<b>1,398,820</b>
<b>NET ASSETS</b>		<b>32,037,921</b>	<b>35,582,008</b>
<b>EQUITY</b>			
Issued capital	7	119,358,591	119,358,591
Reserves	8	(955,127)	(1,180,339)
Accumulated losses		(86,365,543)	(82,596,244)
<b>TOTAL EQUITY</b>		<b>32,037,921</b>	<b>35,582,008</b>

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 2014



	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>As at 1 July 2014</b>	<b>119,358,591</b>	<b>1,240,193</b>	<b>(2,420,532)</b>	<b>(82,596,244)</b>	<b>35,582,008</b>
<b>Total comprehensive loss for the period:</b>					
Net loss for the period	-	-	-	(3,995,289)	(3,995,289)
<b>Other comprehensive income:</b>					
Exchange differences arising on translation of foreign operations	-	-	264,586	-	264,586
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>264,586</b>	<b>(3,995,289)</b>	<b>(3,730,703)</b>
<b>Transactions with owners, recorded directly in equity</b>					
Transfer from share based payments reserve	-	(225,990)	-	225,990	-
Share based payments	-	186,616	-	-	186,616
<b>As at 31 December 2014</b>	<b>119,358,591</b>	<b>1,200,819</b>	<b>(2,155,946)</b>	<b>(86,365,543)</b>	<b>32,037,921</b>
<b>As at 1 July 2013</b>	<b>119,061,813</b>	<b>2,623,721</b>	<b>(2,593,048)</b>	<b>(76,955,886)</b>	<b>42,136,600</b>
<b>Total comprehensive loss for the period:</b>					
Net loss for the period	-	-	-	(4,186,622)	(4,186,622)
<b>Other comprehensive income:</b>					
Exchange differences arising on translation of foreign operations	-	-	877,694	-	877,694
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>877,694</b>	<b>(4,186,622)</b>	<b>(3,308,928)</b>
<b>Transactions with owners, recorded directly in equity</b>					
Transfer from share based payments reserve	299,112	(1,181,095)	-	881,983	-
Share based payments	-	526,778	-	-	526,778
<b>As at 31 December 2013</b>	<b>119,360,925</b>	<b>1,969,404</b>	<b>(1,715,354)</b>	<b>(80,260,525)</b>	<b>39,354,450</b>

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 2014



	Half Year Ended 31 December 2014 \$	Half Year Ended 31 December 2013 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(4,368,135)	(4,921,978)
Interest received	358,670	331,069
Rebates received	-	328,583
<b>Net cash outflow from operating activities</b>	<b>(4,009,465)</b>	<b>(4,262,326)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(68,413)	(271,690)
Payments for exploration and evaluation	(4,606)	-
<b>Net cash outflow from investing activities</b>	<b>(73,019)</b>	<b>(271,690)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of securities	-	-
Transaction costs from issue of shares and options	-	-
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>(4,082,484)</b>	<b>(4,534,016)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>20,245,401</b>	<b>27,736,790</b>
Effects of exchange rate changes on cash and cash equivalents	78	2,076
<b>Cash and cash equivalents at the end of the period</b>	<b>16,162,995</b>	<b>23,204,850</b>

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

**CONDENSED NOTES TO THE FINANCIAL  
STATEMENTS**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2014



**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 2014.

The annual financial report of the Company as at and for the year ended 30 June 2014 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 2014 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 11 March 2015.

**(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 2014.

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 2014. 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.

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

- AASB 132 *Financial Instruments: Presentation* and AASB 2012-3 Amendments to Australian Accounting Standards arising from AASB 132;
- AASB 136 *Impairment of Assets* and AASB 2013-3 Amendments to Australian Accounting Standards arising from AASB 136; and
- AASB 1031 *Materiality* and AASB 2013-9 (Part B) Amendments to Australian Accounting Standards to delete references to AASB 1031.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2014**  
(Continued)



**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 2014 \$	Consolidated 31 December 2013 \$
Interest revenue	314,580	477,904
R&D rebate received	-	328,583
	<b>314,580</b>	<b>806,487</b>

**6. NON-CURRENT ASSETS – EXPLORATION EXPENDITURE**

	Consolidated 31 December 2014 \$	Consolidated 30 June 2014 \$
The group has mineral exploration costs carried forward in respect of areas of interest:		
<b>Areas in exploration at cost:</b>		
<u>Salamanca Uranium Project</u>		
Balance at the beginning of period	14,268,990	14,173,930
Net additions/ (disposals)	4,606	(68,457)
Foreign exchange differences	250,268	163,517
Balance at end of period	<b>14,523,864</b>	<b>14,268,990</b>

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\$8.94m) 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 the Addendum Reserves (State Reserves Salamanca 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.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2014  
(Continued)



**7. CONTRIBUTED EQUITY**

**(a) Issued and Paid Up Capital**

	Consolidated 31 December 2014 \$	Consolidated 30 June 2014 \$
180,361,323 (30 June 2014: 180,361,323) fully paid ordinary shares	119,358,591	119,358,591

**(b) Movements in Ordinary Share Capital During the Six Month Period ended 31 December 2014:**

Date	Details	Number of Shares	Issue Price \$	\$
1 Jul 14	Opening Balance	180,361,323		119,358,591
31 Dec 14	Closing Balance	180,361,323		119,358,591

**(c) Movements in Options and Performance Rights During the Six Month Period ended 31 December 2014:**

Date	Details	Number of Incentive Options	Number of Performance Rights	Fair Value \$	Share based payments reserve \$
1 Jul 14	Opening Balance	8,250,000	4,194,000		1,240,193
31 Dec 14	Performance rights expired	-	(1,118,000)		(225,990)
31 Dec 14	Share based payments expense <sup>(1)</sup>	-	-		186,616
31 Dec 14	Closing Balance	8,250,000	3,076,000		1,200,819

**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 and performance rights have been issued over unissued capital as at 31 December 2014:

**Performance Rights**

- 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.

**Unlisted Options**

- 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; and
- 5,500,000 unlisted options at an exercise price of \$0.45 each that expire on 30 June 2016.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2014**  
(Continued)



**8. RESERVES**

	31 December 2014 \$	30 June 2014 \$
<b>(a) Reserves</b>		
Share based payments reserve (note 7(c))	1,200,819	1,240,193
Foreign exchange reserve	(2,155,946)	(2,420,532)
	<b>(955,127)</b>	<b>(1,180,339)</b>

**9. 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	
		31 December 2014	30 June 2014	31 December 2014	30 June 2014
		%	%	\$	\$
Berkeley Exploration Ltd	UK	100 <sup>(1)</sup>	100	-	-
Minera de Rio Alagon. S.L.	Spain	-(2)	100	-	5,481,411
Berkeley Minera Espana, S.L.	Spain	100 <sup>(3)</sup>	100	5,481,411	-
Geothermal Energy Sources, S.L.	Spain	100 <sup>(4)</sup>	100	-	-
				<b>5,481,411</b>	<b>5,481,411</b>

**Notes**

- (1) Berkeley Exploration Ltd is a 100% owned subsidiary of Berkeley Resources Limited. Berkeley Exploration Ltd's issued and paid up capital is £8,298,972 (30 June 2014: £2).
- (2) Minera de Rio Alagon, S.L. was a wholly owned subsidiary of Berkeley Resources Limited until 31 October 2014 when it merged with Berkeley Minera Espana, S.L. as part of an internal group restructure. Berkeley Minera Espana, S.L. was the surviving entity and assumed all of Minera de Rio Alagon, S.L.'s assets and liabilities.
- (3) 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 €56,917,363 (30 June 2014: €44,388,218).
- (4) Berkeley Exploration Limited acquired 100% of the issued shares in Geothermal Energy Sources, S.L. on 15 May 2009. Geothermal Energy Sources, S.L.'s issued and paid up capital is €20,000 (30 June 2014: €20,000).
- (5) 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 (30 June 2014: \$5,481,411), being the cost of the investment less provision for impairment.

**(a) Ultimate Parent**

Berkeley Resources Limited is the ultimate parent of the Group.

**10. CONTINGENT LIABILITIES AND COMMITMENTS**

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

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2014**  
(Continued)



**11. DIVIDENDS PAID OR PROVIDED FOR**

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

**12. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Group's financial instruments consist of those which are measured at amortised cost including trade and other receivables, security bonds, trade and other payables and other financial liabilities. The carrying amount of these financial assets and liabilities approximate their fair value.

**13. SUBSEQUENT EVENTS AFTER BALANCE DATE**

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

12 March 2015

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 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 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)**



**Samir Tirodkar**  
Director

**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 consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated 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 2014 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 12 March 2015.

*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 2014 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*  
*Samir*

**Samir Tirodkar**  
**Director**

West Perth, Western Australia  
12 March 2015