



Berkeley
Resources Ltd

**Interim Financial Report
for the Half Year Ended
31 December 2011**

ABN 40 052 468 569

CORPORATE DIRECTORY

Directors

Dr James Ross – Non-Executive Chairman
 Mr Brendan James – Managing Director
 Mr Jose Ramon Esteruelas – Non-Executive Director
 Mr Laurie Marsland – Non-Executive Director
 Mr Matthew Syme – Non-Executive Director

Company Secretary

Mr Sam Middlemas

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

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 10 Paternoster Square
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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 2011 ("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 James Ross
Mr Brendan James
Mr Jose Ramon Esteruelas
Mr Laurie Marsland (appointed 25 August 2011)
Mr Matthew Syme
Mr Henry Horne (resigned 31 December 2011)
Mr Ian Stalker (resigned 29 November 2011)

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

Berkeley's 100% owned Salamanca I uranium project continues to progress on schedule. The licensing and permitting process commenced during the fourth quarter and a Co-operation Agreement was signed with the local municipalities. Construction is expected to commence mid-2013, with first production anticipated in 2014.

Discussions continue with Enusa Industria Avanzadas, S. A. (Enusa) regarding the development of the State reserves (Enusa JV project). The completed Mining Domain Conceptual Basic Engineering Report (CBER) for the restricted Mining Domain Feasibility Study (MDFS) was compiled by Jacobs Engineering and independently reviewed by Spanish international engineering company, Tecnicas Reunidas, before submission to Enusa in early November 2011. Berkeley extended the deadline for the formation of NEWCO to February 29, 2012, following the recent change in government in Spain, however Enusa failed to form NEWCO and are now in default under the terms of the Co-operation Agreement dated January 29, 2009 (as amended). Discussions and negotiations are now underway with SEPI (Sociedad Estatal de Participaciones Industriales) a government entity and majority owner of Enusa, seeking a resolution. If a satisfactory outcome is not reached in the near term, the Company may proceed to arbitration as provided for under the Co-operation Agreement.

Salamanca I Project

Berkeley has continued to focus on delivering the stand alone Salamanca I project as a priority. On October 11, 2011 Berkeley initiated the licensing and permitting processes for development of the Retortillo and Santidad deposits. These deposits will be the first to be developed, and therefore are the first stage of the Salamanca I uranium project.

After an initial scoping study, a Preliminary Feasibility Study for the first stage of the project (Retortillo and Santidad only) was prepared. It confirmed the strength of the project, as detailed below.

Production:

- LoM: 10 years (in production)
- U₃O₈ produced: 11.5 Mlbs (1.42 Mlbs/annum average during the first 6 years)

Financials:

- CAPEX during LoM: 83.7 M€
- Pre-operational CAPEX: 62.5 M€ (contingency included)
- Total cash cost (Including Royalties): 30.3 US\$/lb
- Total production cost (including restoration): 33.93 US\$/lb
- NPV: 136.2 M\$ (US\$)*
- IRR: 47%*
- Payback: 1.9 year*

(* Assumes a US\$:€ Conversion Rate of 1.32, US\$65/lb Uranium Price, 8% Discount rate, 15% Capital Contingency)

DIRECTORS' REPORT

This initial production rate and the project economics are expected to be enhanced over the next 12 months, as Berkeley's additional 100% resource areas are incorporated into the project.

The process will utilise on-off pad, biological heap leaching, which is particularly amenable to the ore type, and to the region and its climate. Previous 40 day column test work has yielded recoveries in excess of 90%, though for the purpose of the Preliminary Feasibility Study, a more conservative 87.5% recovery was used.

With the permitting process now underway, Berkeley forecasts that project construction will commence mid-2013.

Enusa JV Project

A Mining Domain Conceptual Basic Engineering Report ("CBER") was compiled by Jacobs Engineering and independently reviewed by the Spanish international engineering company, Tecnicas Reunidas, before submission to Enusa in early November 2011.

Berkeley is confident that the MDFS demonstrates compliance with technical, environmental, legal and economic aspects for the potential processing of uranium within the Mining Domain through the Quercus plant, to a standard validly accepted by international experts in mining.

The MDFS is restricted to measured and indicated resources within the Mining Domain. These Resources total 34.2mlbs U_3O_8 at a grade of 445ppm, with an 89% resource conversion to achieve reserves of 30.3mlbs. Confidence levels have been raised to +/- 15% for capital estimates and to +/- 10% for operating costs. Resources included in the CBER for the restricted MDFS make up only approximately 44% of Berkeley's total resource base, or 69% of Enusa JV resources within the State Reserves.

As the CBER presented to ENUSA is restricted to only Measured and Indicated Resources within the Mining Domain, the Company is cognisant of further potential project enhancements that can be achieved via the incorporation of synergies through parallel development of the 100%-owned Salamanca 1 project.

The operating and capital costs are as follows:

- Mining rate of 3.5 mtpa for recovery of 2.5mlbs per annum averaged over the life of mine by tank leaching
- Cash Operating costs of US\$34.7/lb* averaged over the life of mine
- Construction capital costs of US\$228 million*

(* Assumes a US\$:€ Conversion rate of 1.38)

Exploration

Exploration at Retortillo and Santidad included a combined resource infill, near mine exploration and condemnation RC drill program. Drilling at Retortillo was completed in November 2011, whilst drilling at Santidad is ongoing. The Retortillo resource estimate has been updated giving a new total resource at 200 ppm CoG of 11.5Mt at 397ppm U_3O_8 for 10.1Mlbs U_3O_8 .

Data from the recent RC drilling in Alameda, Sageras and Palacios has been integrated into the existing models, and the resource estimates updated.

An exploration program to be carried out over the coming year has been developed for the Salamanca 1 Satellite deposits and the Caceres region (including the Gambuta deposit) focussing on exploration to confirm and extend the known resources and to test new prospect areas.

A summary of Berkeley's Mineral Resources by area at 200 ppm CoG as at December 31, 2011 is shown in Table 1 below.

Deposit Name	Resource Category	Tonnes (Mt)	U ₃ O ₈ (ppm)	U ₃ O ₈ (t)	U ₃ O ₈ (Mlbs)	Category (%)	Berkeley (%)	U ₃ O ₈ (Mlbs)	U ₃ O ₈ (t)
<i>Retortillo Area</i>	Indicated	7.5	412	3,107	6.8	35%	100%	6.8	3,107
	Inferred	14.2	403	5,740	12.7	65%	100%	12.7	5,740
	Total	21.8	406	8,847	19.5	100%	100%	19.5	8,847
<i>Gambuta Area</i>	Inferred	11.3	371	4,192	9.2	100%	100%	9.2	4,192
<i>Salamanca 1 Uranium Project</i>	Indicated	7.5	412	3,107	6.8	24%	100%	6.8	3,107
	Inferred	25.5	389	9,933	21.9	76%	100%	21.9	9,933
	Total	33.1	394	13,039	28.7	100%	100%	28.7	13,039
<i>Águila Area</i>	Measured	5.7	400	2,277	5.0	23%	90%	4.5	2,050
	Indicated	9.2	450	4,151	9.2	42%	90%	8.2	3,736
	Subtotal M+I	14.9	431	6,428	14.2	65%	90%	12.8	5,785
	Inferred	9.2	383	3,517	7.8	35%	90%	7.0	3,165
	Total	24.1	413	9,945	21.9	100%	90%	19.7	8,950
<i>Alameda Area</i>	Indicated	20.0	455	9,107	20.1	78%	90%	18.1	8,197
	Inferred	4.8	526	2,531	5.6	22%	90%	5.0	2,278
	Total	24.8	469	11,638	25.7	100%	90%	23.1	10,474
<i>Villar Area</i>	Inferred	5.0	446	2,239	4.9	100%	90%	4.4	2,015
<i>Enusa JV Uranium Project *</i>	Measured	5.7	400	2,277	5.0	10%		4.5	2,050
	Indicated	29.2	453	13,258	29.2	56%		26.3	11,932
	Subtotal M+I	34.9	445	15,535	34.2	65%		30.8	13,982
	Inferred	19.0	436	8,287	18.3	35%		16.4	7,458
	Total	53.9	442	23,822	52.5	100%		47.3	21,440
<i>Berkeley *</i>	Measured	5.7	400	2,277	5.0	6%		4.5	2,050
	Indicated	36.8	445	16,365	36.1	44%		33.2	15,039
	Subtotal M+I	42.5	439	18,642	41.1	51%		37.7	17,089
	Inferred	44.5	409	18,219	40.2	49%		38.3	17,390
	Total	87.0	424	36,861	81.3	100%		76.0	34,479

* Berkeley has agreed to acquire 90% of the ENUSA State Reserves and deposits therein by, inter alia, completing a feasibility study and paying €20m. For full details of the Agreement, the Berkeley's announcement dated 10th December 2008.

Operating Results

Net operating loss after tax attributable to members for the half year ended 31 December 2011 was \$8,752,861 (31 December 2010: \$11,735,602).

This result included the following significant items:

- Net income arising from interest on cash balances amounted to \$1,367,406 (31 December 2010: \$129,000);
- Exploration costs associated with the Company's Spanish uranium projects of \$9,524,027 (31 December 2010: \$9,262,071); and
- Share based payments expense of \$129,824 relating to the vesting of employee incentive options (31 December 2010: \$1,332,972).

DIRECTORS' REPORT

CORPORATE

The following material corporate events occurred during or since the end of the half year ended 31 December 2011:

- Mr. Laurie Marsland was appointed as a Non-Executive Director, effective August 25, 2011. Mr Marsland is an Engineer with more than 30 years of diverse experience in the international mining industry and brings a strong background in project development to the Board.
- Mr. Steven Turner was appointed as Berkeley's Chief Financial Officer, effective December 12, 2011. Mr. Turner brings nearly 20 years of debt and equity markets experience in the natural resource sector.
- Messrs. Ian Stalker and Henry Horne both resigned as non-Executive Directors effective on November 29, 2011 and December 31, 2011 respectively.
- On October 26, 2011, Berkeley and the municipalities of Retortillo and Villavieja de Yeltes, within the Salamanca Province, signed a co-operation agreement for the exploitation of the uranium deposits located in the municipalities of Retortillo and Villavieja de Yeltes. As part of the agreement, the municipalities of Retortillo and Villavieja de Yeltes undertake to actively contribute throughout the necessary administrative process required for the project to achieve both licensing and permitting. Berkeley in turn commits to contribute to the economic and social development of the municipalities. Berkeley expects that the exploitation of the Retortillo and Santidad deposits will create 150 to 200 direct jobs (including permanent contractors). Berkeley has also requested the necessary permits to transfer its current offices, as well as its technical and administrative staff, to Retortillo.
- Berkeley extended the deadline for the formation of NEWCO to February 29, 2012, following the recent change in government in Spain. The incorporation of NEWCO triggers the payment of €20M to Enusa within 30 days of formation. NEWCO will be responsible for exploitation of the uranium resources within the State Reserves (Mining Domain) and shall be owned 90% by the Company. Enusa failed to form NEWCO on February 29, 2012 and are now in default under the terms of the Co-operation Agreement dated January 29, 2009 (as amended). Discussions and negotiations are now underway with SEPI (Sociedad Estatal de Participaciones Industriales) a government entity and majority owner of Enusa, seeking a resolution. If a satisfactory outcome is not reached in the near term, the Company may proceed to arbitration as provided for under the Co-operation Agreement.
- The Company held cash balances of A\$43M as at December 31, 2011.

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 13 and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors



BRENDAN JAMES
Managing Director

8 March 2012

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, the directors of the company declare that:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.
2. In the directors' opinion 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



BRENDAN JAMES
Managing Director

8 March 2012

**CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**
FOR THE HALF YEAR ENDED 31 DECEMBER 2011



	Note	Half Year Ended 31 December 2011 \$000'S	Half Year Ended 31 December 2010 \$000'S
Revenue from continuing operations	4	1,367	129
Administration costs		(466)	(1,269)
Exploration costs		(9,524)	(9,262)
Share based payments expense		(130)	(1,333)
Loss before income tax		(8,753)	(11,735)
Income tax expense		-	-
Loss for the half year attributable to Members of Berkeley Resources Limited		(8,753)	(11,735)
Other comprehensive income			
Exchange differences arising on translation of foreign operations		263	(525)
Income tax on other comprehensive income		-	-
Other comprehensive income/(loss) for the half year		263	(525)
Total comprehensive loss for the half year attributable to Members of Berkeley Resources Limited		(8,490)	(12,260)
Earnings per share			
Basic earnings per share (cents per share)		(5.02)	(8.49)
Diluted earnings per share (cents per share)		(5.02)	(8.49)

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

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**
AS AT 31 DECEMBER 2011



	Note	31 December 2011 \$000's	30 June 2011 \$000's
ASSETS			
Current Assets			
Cash and cash equivalents		42,806	50,600
Trade and other receivables		842	700
Total Current Assets		43,648	51,300
Non-current Assets			
Exploration expenditure		13,214	13,647
Property, plant and equipment		439	438
Other financial assets		102	115
Total Non-current Assets		13,755	14,200
TOTAL ASSETS		57,403	65,500
LIABILITIES			
Current Liabilities			
Trade and other payables		1,560	1,188
Other financial liabilities		-	109
Total Current Liabilities		1,560	1,297
TOTAL LIABILITIES		1,560	1,297
NET ASSETS		55,843	64,203
EQUITY			
Issued capital	5	117,624	117,624
Reserves		3,865	3,472
Accumulated losses		(65,646)	(56,893)
TOTAL EQUITY		55,843	64,203

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 2011



	Attributable to Equity Holder of the Parent				Total
	Issued Capital	Option Premium Reserve	Foreign Currency Translation Reserve	Accumulated Losses	
	\$000's	\$000's	\$000's	\$000's	\$000's
As at 1 July 2011	117,624	6,195	(2,723)	(56,893)	64,203
Total comprehensive loss for the period:					
Net loss for the period	-	-	-	(8,753)	(8,753)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	263	-	263
Total comprehensive income/(loss)	-	-	263	(8,753)	(8,490)
Transactions with owners, recorded directly in equity					
Share based payments	-	130	-	-	130
As at 31 December 2011	117,624	6,325	(2,460)	(65,646)	55,843
As at 1 July 2010	58,618	6,761	(1,927)	(41,464)	21,988
Total comprehensive loss for the period:					
Net loss for the period	-	-	-	(11,735)	(11,735)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	(525)	-	(525)
Total comprehensive income/(loss)	-	-	(525)	(11,735)	(12,260)
Transactions with owners, recorded directly in equity					
Exercise of options	2,176	-	-	-	2,176
Share based payments	5,075	1,332	-	-	6,407
Share issue costs	(290)	-	-	-	(290)
As at 31 December 2010	65,579	8,093	(2,452)	(53,199)	18,021

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 2011



	Half Year Ended 31 December 2011 \$000's	Half Year Ended 31 December 2010 \$000's
Cash flows from operating activities		
Payments to suppliers and employees	(8,879)	(9,900)
Interest received	1,219	90
Net cash outflows from operating activities	(7,660)	(9,810)
Cash flows from investing activities		
Payments for plant and equipment	(117)	(29)
Net cash outflow from investing activities	(117)	(29)
Cash flows from financing activities		
Proceeds from issue of shares	-	6,961
Net cash inflow from financing activities	-	6,961
Net decrease in cash and cash equivalents	(7,777)	(2,878)
Foreign exchange (loss)/gain on opening cash	(17)	(59)
Cash and cash equivalents at the beginning of the half year	50,600	10,244
Cash and cash equivalents at the end of the half year	42,806	7,307

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 2011.

The annual financial report of the Company as at and for the year ended 30 June 2011 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 2011 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 8 March 2012.

(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.

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 2011, 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 2011. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2011
(Continued)



4. REVENUE FROM CONTINUING OPERATIONS

	Consolidated 31 December 2011 \$000's	Consolidated 31 December 2010 \$000's
Interest revenue	1,367	129
	1,367	129

5. CONTRIBUTED EQUITY

(a) Issued and Paid Up Capital

	Consolidated 31 December 2011 \$000's	Consolidated 30 June 2011 \$000's
174,298,273 (30 June 2011: 174,298,273) fully paid ordinary shares	117,624	117,624

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

There were no movements in ordinary share capital during the past six months.

(c) Share Options:

The following options have been issued over unissued capital as at 31 December 2011:

Listed Options

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

Unlisted Options

- 495,834 unlisted options at an exercise price of \$1.00 each that expire on 19 June 2012.
- 1,000,000 unlisted options at an exercise price of \$1.25 each that expire on 1 December 2013.
- 2,311,666 unlisted options at an exercise price of \$1.35 each that expire on 18 June 2014.
- 2,000,000 unlisted options at an exercise price of \$0.41 each that expire on 1 May 2016.
- 1,000,000 unlisted options at an exercise price of \$0.41 each that expire on 21 September 2015.

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate. During the half year, there were no options that were exercised. There were 1,960,000 unlisted options that lapsed during the half year, and 3,000,000 new unlisted options at an exercise price of 41 cents that were issued during the half year. Since 31 December 2011, there have been no new shares issued as a result of the exercise of any listed or unlisted options on issue, and a further 500,000 new unlisted options at an exercise price of 47.5 cents each that expire on 22 December 2015 have been issued.

6. CONTINGENT LIABILITIES AND COMMITMENTS

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

7. DIVIDENDS PAID OR PROVIDED FOR

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

8. SUBSEQUENT EVENTS AFTER BALANCE DATE

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

- Enusa informed Berkeley on February 23, 2012 that it has rejected the Mining Domain Conceptual Basic Engineering Report ("CBER") on the grounds that the project was neither technically nor economically feasible.
- On February 29, 2012 Enusa failed to form NEWCO, thereby breaching the terms of the Co-operation Agreement dated January 29, 2009 (as amended) and are now in default. Discussions and negotiations are now underway with SEPI (Sociedad Estatal de Participaciones Industriales) a government entity and majority owner of Enusa, seeking a resolution. If a satisfactory outcome is not reached in the near term, the Company may proceed to arbitration as provided for under the Co-operation Agreement.

AUDITOR'S INDEPENDENCE DECLARATION



Stantons International Audit and Consulting Pty Ltd
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Stantons International
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8 March 2012

Board of Directors
Berkeley Resources Limited
Level 2, 91 Havelock Street
West Perth WA 6005
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 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

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

A handwritten signature in black ink, appearing to read "John Van Dieren".

John Van Dieren
Director



AUDITOR'S REVIEW REPORT



Stantons International Audit and Consulting Pty Ltd
trading as

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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 2011, 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, 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 2011 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.



AUDITOR'S REVIEW REPORT (Continued)

Stantons International

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 8 March 2012.

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 2011 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
8 March 2012