Berkeley Resources Ltd

CONCISE FINANCIAL REPORT

30 JUNE 2010

The concise financial report is an extract from the full financial report of Berkeley Resources Limited for the year ended 30 June 2010. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report of Berkeley Resources Limited, and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

Further financial information can be obtained from Berkeley Resources Limited's full financial report, a copy of which, including the independent auditor's report, is available to all shareholders on the Company's website at **www.berkeleyresources.com.au**, and will be sent to shareholders without charge on request

ABN 40 052 468 569

CORPORATE DIRECTORY

Directors

Dr Robert Hawley – Chairman
Mr Ian Stalker – Managing Director
Mr Scott Yelland – Executive Director
Señor Jose Ramon Esteruelas – Non Executive
Mr Sean James – Non Executive
Dr James Ross – Non Executive
Mr Matthew Syme – Non Executive

Company Secretary

Mr Sam Middlemas

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Auditor

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West Perth WA 6005

Solicitors

Hardy Bowen Lawyers
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West Perth WA 6005

Bankers

Australia and New Zealand Banking Group Ltd
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Perth WA 6000

Share Registry

Australia

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Stock Exchange Listings

Australia

Australian Securities Exchange Limited
Home Branch - Perth
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Perth WA 6000

United Kingdom

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

ASX/AIM Code

BKY - Fully paid ordinary shares
BKYO - $0.75 Listed options (ASX only)

Nominated Advisor and Broker

RBC Capital Markets
71 Queen Victoria Street
London EC4V 4DE

CONTENTS

The Directors of Berkeley Resources Limited submit their report on the Consolidated Entity consisting of Berkeley Resources Limited ("Company" or "Berkeley" or "Parent") and the entities it controlled at the end of, or during, the year ended 30 June 2010 ("Consolidated Entity" or "Group").

DIRECTORS

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

Dr Robert Hawley – Chairman
Mr Ian Stalker – Managing Director (appointed 30 November 2009)
Mr Scott Yelland – Executive Director
Señor Jose Ramon Esteruelas
Mr Sean James
Dr James Ross
Mr Matthew Syme
Mr Stephen Dattels – appointed 15 May 2009, resigned 14 September 2009

Unless otherwise disclosed, Directors held their office from 1 July 2009 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Robert Hawley
Non-Executive Chairman
Qualifications – CBE, DSc, FRSE, FREng, Hon FIET, FIMechEng, FInstP

Dr Hawley is based in London and has extensive technical qualifications and substantial expertise in the nuclear energy industry as well as broader public company management. He was Chief Executive of British Energy Plc from 1995 to 1997, Chief Executive of Nuclear Electric Plc from 1992 to 1996 and prior to this enjoyed a long career in senior engineering and management positions with CA Parsons & Co Ltd, Northern Engineering Industries Plc and Rolls-Royce Plc. Dr Hawley has been Managing Director of CA Parsons & Co Ltd, Managing Director of Northern Engineering Industries Plc, a Director of Rolls-Royce Plc, Chairman of Taylor Woodrow Plc, an Advisor Director of HSBC Bank Plc and a Director of Colt Telecom Group Ltd, Rutland Trust Plc and Carron Acquisition Co Ltd. He is presently a Director of Lister Petter Investment Holdings Ltd. He was awarded the CBE in 1997 for services to the Energy Industry and to Engineering.

Dr Hawley's experience in managing Nuclear Electric Plc, the largest nuclear generator in the United Kingdom, and British Energy Plc, the United Kingdom's leading electricity supplier, gives him a unique understanding of the nuclear generation sector in Europe and he is acknowledged as an international expert on power generation and energy.

During the three year period to the end of the financial year, Dr Hawley has held directorships in Rutland Trust Plc (September 2000 – July 2007), Colt Telecom Group Ltd (August 1998 – July 2009), Carron Acquisition Co Ltd (April 2006 – March 2009) and Lister Petter Investment Holdings Ltd (September 2006 – present).

Dr Hawley was appointed a Director of Berkeley Resources Limited on 20 April 2006.

Ian Stalker
Managing Director (appointed 30 November 2009)
Qualifications – BSc (Chemical Engineering)

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

Mr Stalker was the Chief Executive Officer of UraMin, a London and Toronto listed Uranium Company from November 2005 until its acquisition by Areva in August 2007 for US $2.5 billion, and was subsequently CEO of Niger Uranium Ltd an AIM listed Company from 2008-2010. Prior to joining UraMin, Mr Stalker was at Gold Fields Ltd, the world's fourth largest gold producer. At Gold Fields, he managed the company's PGE project in

CURRENT DIRECTORS AND OFFICERS (Continued)

Finland starting in 2001 and eventually became a Vice President and was responsible for all of the company's projects in Australia and Europe in 2004.

Prior to Gold Fields, Mr Stalker worked at Lycopodium, an engineering, mining and metallurgical consultancy company, where he was responsible for new business in Africa and also managed projects around the world. From 1998 to 2000, Mr Stalker worked as a consultant on various projects located in Africa, including the Langer Heinrich uranium project in Namibia. He has also worked as a managing director at Ashanti Goldfields Company Limited and has previously been employed by Caledonia Mining Corporation, AGC Ltd and Zambia Consolidated Copper Mines Ltd.

Mr Stalker is a non-executive director of Vatukoula Gold Mines plc, which is listed on the AIM market of the London Stock Exchange, UrAmerica Limited, a private company with uranium exploration projects in Argentina, Paraguay and Colombia, and Brazilian Gold, a Toronto listed Gold Exploration Company.

Mr Stalker commenced his appointment as Managing Director and Chief Executive Officer on 30 November 2009.

Scott Yelland
Chief Operating Officer / Executive Director
Qualifications – MSc CEng FIMMM

Mr Yelland is a mining engineer with over 25 years in the mining industry and has a Masters degree in Mining Engineering from the Camborne School of Mines. He is a Chartered Engineer and Fellow of the Institute of Mining, Minerals and Materials.

Mr Yelland's experience as a mining engineer includes senior appointments in Russia, Australia, Spain, South America and Africa. Prior to joining Berkeley in April 2007, he was most recently COO of Highland Gold, a leading gold producer in Russia, and has held senior management positions with Rio Tinto in Brazil and Australia and Kinross in Russia and spent 4 years as Mines Manager of Navan Resources in Spain.

Mr Yelland joined Berkeley in April 2007 as the Group's Chief Operating Officer and was appointed a Director of Berkeley Resources Limited on 1 February 2008. Mr Yelland has not held any other directorships of listed companies in the last three years.

Jose Ramon Esteruelas
Non-Executive Director
Qualifications – Economics Degree, Law Degree, Diploma of Business Administration

Señor Esteruelas is an economist with vast experience in the managerial field whose senior executive roles have included Director General of Correos y Telegrafos (the Spanish postal service), Chief Executive Officer of Compania Espanola de Tabaco en Rama S.A., (the leading tobacco company in Spain) and Executive Chairman of Minas de Almaden y Arrayanes SA (formerly the world's largest mercury producer).

Señor Esteruelas was appointed a Director of Berkeley Resources Limited on 16 November 2006. Señor Esteruelas has not held any other directorships of listed companies in the last three years.

Sean James
Non-Executive Director
Qualifications – BSc. (Hons.)

Mr James is a mining engineer and was formerly the Managing Director of the Rossing Uranium Mine in Namibia which is the world's largest low grade, open pit uranium mine. After 16 years at Rossing, he returned to London as a Group Mining Executive at Rio Tinto Plc in London.

Mr James' experience in managing the Rossing mine is ideally suited for the type of uranium mining operations the Company aims to develop in the Iberian Peninsula.

Mr James was appointed a Director of Berkeley Resources Limited on 28 July 2006. Mr James has not held any other directorships of listed companies in the last three years.

CURRENT DIRECTORS AND OFFICERS (Continued)

James Ross AM
Technical Director
Qualifications – B.Sc. (Hons.), Hon.DSc (W.Aust and Curtin), PhD, FAusIMM, FAICD

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

Dr Ross is a Director of Kimberley Foundation Australia Inc, and chairs its Science Advisory Council. He also chairs the Boards of a geoscience research centre and two foundations concerned with geoscience education in Western Australia.

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

Matthew Syme
Non Executive Director
Qualifications – B.Com, CA

Mr Syme is a Chartered Accountant and has over 20 years experience as a senior executive of a number of companies in the Australian resources and media sectors. He was a Manager in a major international Chartered Accounting firm before spending 3 years as an equities analyst in a large stockbroking firm. He was then Chief Financial Officer of Pacmin Mining Limited, a successful Australian gold mining company, as well as a number of other resources companies.

Mr Syme was appointed a Director of Berkeley Resources Limited on 27 August 2004, and was the Managing Director of the Company until the appointment of Mr Stalker in November 2009. Mr Syme continues on the Board as a Non Executive Director.

During the three year period to the end of the financial year, the only other listed company board that Mr Syme held was as the Managing Director of Sierra Mining Limited (appointed 1 July 2010 – present).

Mr Robert Samuel (Sam) Middlemas
Company Secretary
Qualifications – B.Com, CA, Grad. Dip Acc

Mr Middlemas is a Chartered Accountant with more than 15 years experience in various financial roles with a number of listed public companies operating in the resource sector. He is the principal of a corporate advisory company which provides financial and company secretarial services specialising in capital raisings and initial public offerings. Previously Mr Middlemas worked for an international accountancy firm. His fields of expertise include corporate secretarial practice, financial and management reporting in the mining industry, treasury and cash flow management and corporate governance. Mr Middlemas was appointed Company Secretary on 1 July 2010 replacing Mr Clint McGhie.

PRINCIPAL ACTIVITIES

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

EMPLOYEES

	2010	2009
The number of full time equivalent people employed by the Consolidated Entity at balance date	37	15

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2010 (2009: nil).

EARNINGS PER SHARE

	2010 Cents	2009 Cents
Basic loss per share	(11.08)	(9.47)
Diluted loss per share	(11.08)	(9.47)

CORPORATE STRUCTURE

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

CONSOLIDATED RESULTS

	2010 $	2009 $
Loss of the Consolidated Entity before income tax expense	(14,240,676)	(10,013,948)
Income tax expense	-	-
Net loss	(14,240,676)	(10,013,948)
Net loss attributable to minority interest	-	4,742
Net loss attributable to members of Berkeley Resources Limited	(14,240,676)	(10,009,206)

REVIEW OF OPERATIONS AND ACTIVITIES

The year ending June 2010 has been a very significant period in the history of Berkeley with the company growing from a small uranium exploration company with 26.1 Mlbs of U_3O_8 Mineral Resources to a mid size near term uranium producer with over 83Mlbs[(i)] of JORC compliant U_3O_8 Mineral Resources..

The Company has undertaken a number of drilling programs during the year whilst progressing the Feasibility Study on the Salamanca Uranium Project (SUP), Phase One is scheduled to be completed by the end of 2010 and the second phase by the middle of 2011.

Sustainable Development – Health, Safety, Environment and Community

Sustainable Development, including environmental responsibility, radiological protection and community awareness, engagement and support are paramount considerations for Berkeley. As a result, Berkeley has established a strong Health Safety Environment & Community (HSEC) team supported by the consultants Golder Associates, Ingemisa SA, Aquaterra, Salamanca University and Paulka Radiation & Environment.

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

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)

Salamanca Uranium Project

The Salamanca Uranium Project (SUP) incorporates the Aguila Area deposits (Sageras, Palacios and Majuelos) and the nearby Quercus Processing Plant as well as the more distant deposits at Alameda, Villar and Retortillo.

Berkeley's Feasibility Study is progressing in 2 separate phases:

1. Phase 1 is focusing on a tank leach scenario with a production rate of 2.1 Mlbs (0.95 Kt) of U_3O_8 per annum using the Palacios North, Sageras and Alameda South deposits as the initial feed to the Quercus Plant.
2. Phase 2 is concentrating on increasing the production rate up to 5 Mlbs (2.3 Kt) of U_3O_8 per annum by establishing heap leach operations at the various satellite deposits.

The first quarter of the 2009/2010 year was taken up with a comprehensive review and assessment of the historical data in order to gain a better understanding of the various uranium deposits and to provide additional confidence in the quality of the historical data supplied by ENUSA. This work culminated in commencement of a confirmatory diamond drilling program in October 2009 at the Palacios, Sageras and Alameda South deposits, which was completed in March 2010, prior to estimation of the State Reserve Mineral Resources. Final Mineral Resource Estimates for the Feasibility Study, which are intended to upgrade resource categories, will be available later in 2010 after an infill RC drilling program has been completed.

Palacios Deposit

During the year, Berkeley drilled 15 diamond drill holes in a series of traverses designed to confirm the historical drilling data. All holes intersected strong mineralisation consistent with the historical data. An initial Mineral Resource Estimate was announced in February 2010 for the Palacios North deposit consisting of 4.2 Mt at 508 ppm for a total of 4.7 Mlbs (2.1 Kt) U_3O_8, with approximately 90% in the Measured and Indicated categories. The Palacios South deposit was estimated at 2.2 Mt at 328 ppm for 1.6 Mlbs (0.73 Kt) U_3O_8 and is all in the Inferred category because of the wider drill spacing and lack of confirmatory drilling.

Sageras Deposit

Berkeley completed a confirmatory diamond drilling program consisting of 21 holes in a series of traverses across the deposit. The detailed results were announced in February 2010 with all of the Berkeley holes intersecting mineralisation consistent with the historical data. An initial Mineral Resource Estimate was announced in February 2010 consisting of 9.7 Mt at 400 ppm for 8.6 Mlbs (3.9 Kt) U_3O_8, including 71% in the Measured and Indicated categories.

An infill RC drilling program consisting of 46 holes was completed in July and it is anticipated that the majority of the Inferred Resource will be upgraded to Indicated and Measured in the next Mineral Resource Estimate scheduled to be announced in the September quarter. In addition, re-probing of historical holes has continued throughout the year and the results are continuing to provide increased confidence in the historical e-grades.

Majuelos Deposit

The Majuelos deposit encompasses two areas: remnant resources lying below the restored Mina Fe open pit and drilled on a 10m x 10m grid; and a separate zone to the east of the restored pit drilled on a 50m x 50m spacing. Total Mineral Resources have been estimated at 6.4 Mt at 411 ppm for 5.8 Mlbs (2.6 Kt) U_3O_8, all in the Inferred category.

Alameda South

Berkeley completed a confirmatory diamond drilling program consisting of 19 holes in a series of traverses across the deposit. The detailed results were announced in March 2010 with all of the Berkeley holes intersecting mineralisation consistent with the historical data. An initial Mineral Resource Estimate was completed consisting of 18.4 Mt at 458 ppm for 18.5 Mlbs (8.4 Kt) U_3O_8, including 49% in the Indicated category.

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)

A 30 hole RC drilling program was completed in July 2010 to test the lateral and depth potential identified in the confirmatory diamond drill program and to increase confidence in areas previously drilled at lower density. The results have confirmed the current resource model and it is anticipated that the majority of the Inferred Resource will be upgraded to Indicated and Measured categories in an updated resource statement to be announced in the September quarter.

Alameda North

The Alameda North deposits consist of 3 separate zones extending north from Alameda South over a distance of 3.5 km along the granite contact. Total Mineral Resources have been estimated at 4.1 Mt at 503 ppm for 4.5 Mlbs (2.0 Kt) U_3O_8, all in the Inferred category because of the lack of confirmatory drilling in this area. However, all of the historical drilling was undertaken at the same time as the Alameda South historical drilling, where Berkeley has confirmed the historical results.

Villar

The Villar Area is located 10km north of Alameda and 14km north-west of the Quercus Plant (Figure 2). An initial Mineral Resource was announced in March 2010 consisting of 5.0 Mt at 446 ppm for 4.9 Mlbs (2.2 Kt) U_3O_8. The Mineral Resource Estimate was classified as Inferred as Berkeley has not undertaken any confirmatory drilling on this deposit. A number of Berkeley diamond holes drilled at the nearby Barquila Prospect confirmed the historical data.

Retortillo Deposit

Berkeley commenced drilling at Retortillo in December 2006 following acquisition and assessment of the ENUSA historical database which included 272 drill holes defining uranium mineralisation over a strike length of 2kms. Over the next few years, Berkeley drilled an additional 72 diamond and RC holes and announced an initial resource in April 2007. Further drilling by Berkeley in 2007 led to the announcement later that year of an updated Mineral Resource Estimate of 9.6 Mt at 615 ppm for 13 Mlbs (5.9 Kt), with 38% in the Indicated category. No work has been undertaken since the updated resource, however a large RC drilling program is planned to commence in the September quarter to convert the Inferred Resources into a higher category.

Santidad Deposit

A Mineral Resource of 2.9 Mlbs U_3O_8 was announced in November 2007 based on 87 drill holes. A further 120 diamond and reverse circulation holes were subsequently drilled by Berkeley and an updated Mineral Resource was estimated by independent consultants, McDonald Speijers. It increased resources by 47% to 4.6 Mt at 410 ppm for 4.2 Mlbs of U_3O_8 and includes about 29% in the Indicated category.

Zona 7 Deposits

The Zona 7 deposits are located approximately 5 km north of the Santidad deposit (Figure 7) and consist of the significant Zona 7 deposit (3.5 Mlbs at 414 ppm U_3O_8) and a cluster of small deposits in close proximity (Las Carbas, Caridad and Cristina). Berkeley carried out a large amount of drilling in this area in 2008 (5 Diamond and 178 RC holes). All the Mineral Resources are Inferred and total 5.7 Mt at 421 ppm for 5.3 Mlbs (2.4 Kt) U_3O_8

Gambuta Area

The Gambuta deposit is situated approximately 140 kms to the south-east of the Águila Area in the Cáceres Region. During 2008, Berkeley drilled 43 RC holes and announced an inferred Mineral Resource Estimate in August 2008 of 9.2 Mlbs (4.2 Kt) U_3O_8. Berkeley has not undertaken any work in the Cáceres Region during the year and it is not being considered in the current Feasibility Study. However, further work is planned in the forthcoming year to upgrade the resource and undertake metallurgical test work as it has the potential as a "stand alone" heap leach operation with uranium recovery from the Quercus Plant.

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)

Exploration

The 2009/2010 year has focussed on the confirmation and estimation of the State Reserve Mineral Deposits. Exploration has involved the compilation of all the ENUSA data and a complete review of all the historical exploration prospects as well as a more detailed review of the near mine exploration potential. This has highlighted some targets at Sageras and Palacios that are currently being followed up with RC drilling.

A number of other appealing targets have been identified mainly focussing on areas along strike from existing deposits but situated beneath Tertiary cover where radiometrics are ineffective. This includes the area to the south of Alameda where a review of the available geological information identified significant cover material in areas previously mapped as outcropping basement.

Metallurgy & Processing

In December 2009 Berkeley completed the Salamanca Uranium Project Scoping Study, which demonstrated the technical and economical viability of the project, and initiated the start of the Phase 1 of Feasibility Study on the Project, which is due to be completed by November 2010.

In February 2010, 2,000kg of diamond drill core was sent to the SGS Metallurgical Laboratories in Perth, Australia to commence the comprehensive metallurgical test work campaign supervised by Aker Solutions, Orway Mineral Consultants and Kappes Cassiday (Perth). This was followed up with a further 9,350kg in June and July 2010.

The primary objective of this metallurgical test work is to optimise the process conditions for treating the various uranium ore lithologies at Sageras and Palacios in a tank leach configuration.

The results of this work will be employed in the Feasibility Study – Phase 1 and for the re-commissioning of the Quercus Processing Plant, which has a capacity of 2.1Mlbs (0.95 Kt) of U_3O_8 per annum.

A second program of testwork (Phase 2) commenced in the 3rd quarter of 2010, designed to explore the amenability of the Sageras, Palacios and Alameda ores to heap leaching. This work will extend into the 2nd Quarter of 2011 and will incorporate Retortillo in the first quarter of 2011.

Mining Studies

The Salamanca uranium project scoping study completed in December 2009 identified that the mining is relatively simple, shallow open pit mining with drill, blast, load and haul undertaken by Spanish contractors.

Following completion of the scoping study, work started immediately on the feasibility mining studies, and following completion of Mineral Resource Estimates in March 2010 pit optimisations were completed for various processing and production options and operating costs were further refined following discussions with a number of mining contractors.

Berkeley will continue to work for the interests of shareholders by pursuing our core objective of mining uranium in Spain. The Company is very well placed to capitalise on the solid foundations it has built to date.
The Group also continues to review other opportunities in the mining and energy sectors in Europe and elsewhere.

The net loss of the Consolidated Entity after minority interests for the year ended 30 June 2010 was $14,240,676 (2009: $10,009,206). This loss is largely attributable to:

- the Consolidated Entity's accounting policy of expensing exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the acquisition of the rights to explore and up to the commencement of bankable feasibility studies. During the year, exploration expenditure totalled $10,732,103 (2009: $5,783,641); and

- the Consolidated Entity's accounting policy of expensing the value (determined using the Binomial option pricing model) of share options granted to Directors, employees, consultants and other advisors. The value is measured at grant date and recognised over the period during which the option holders become unconditionally entitled to the options. During the year, non-cash share-based payment expenses (excluding those classified as exploration costs) totalled $1,488,365 (2009: $2,999,115).

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)

Corporate and Financial Position

During the period under review the Company made a number of appointments to strengthen its Board and Management team as the Company advanced toward delivering a feasibility study – phase 1 at its Salamanca Uranium project.

In November 2009 Berkeley Resources engaged Ian Stalker to become Managing Director and Chief Executive Officer of the Company, bringing with him considerable experience in the uranium sector and mining operations in Spain. He has successfully managed eight mining projects throughout the world through feasibility study, development and construction phases.

Berkeley Resources also enhanced its Management team through the appointment of Henry Horne as Chief Financial Officer in April 2010. Mr Horne has 28 years' experience in the mining industry and held senior management and executive positions at mines in Namibia, South Africa, Ghana, Bulgaria, Chile and Russia with companies including Tsumeb Corporation, Gold Fields, Kinross Gold, Navan Mining and Highland Gold.

The Board also appointed Robert Samuel (Sam) Middlemas as Company Secretary in June 2010 and in September 2010 announced Matthew Syme plans to resign as a Non-executive Director of the Company with effect from the next AGM.

Berkeley Resources agreed to restructure the Company's royalty commitments to the original founders and vendors of Berkeley's Spanish subsidiary, Minera de Rio Alagon SL ("MRA") in December 2009. The previous royalty of 3% applied to production from MRA properties and included an accelerating minimum cash royalty. In order to remove some ambiguity inherent in the previous agreement, the parties agreed to replace the previous royalty with a 1% royalty on all Berkeley's future uranium production in Spain and Portugal, including potentially non-MRA properties.

In January 2010 the Company also agreed to terminate the Heads of Agreement which was entered with Areva NC in March 2006. As a consequence, any rights previously granted to Areva for off-take or marketing of uranium production from Berkeley's projects were terminated

Under the terms of the Cooperation Agreement entered into with ENUSA in December 2008, Berkeley will complete a Feasibility Study by the end of November 2010. After the successful completion of the Feasibility Study Berkeley needs to inform ENUSA of its decision to exploit. This positive decision will then trigger the formation of NEWCO with a Berkeley and ENUSA joint venture partnership of 90%:10%. Once NEWCO has been formed Berkeley will pay ENUSA €20M whereupon the State Reserves will then be transferred to NEWCO, who will then exploit the reserves in a joint venture with ENUSA.

According to the Cooperation Agreement, Berkeley may inform ENUSA by the end of October 2010 to extend the decision to exploit by one further year by paying to ENUSA €1M.

Business Strategies and Prospects

The Consolidated Entity currently has the following business strategies and prospects over the medium to long term:

- to conduct studies into the feasibility of exploiting the Salamanca Uranium Project in Spain, with the objective of restarting the mining operations by the end of 2012
- to continue to explore its portfolio of mineral permits in Spain; and
- continue to examine new opportunities in minerals and energy exploration and development.

Risk Management

The Board is responsible for the oversight of the Consolidated Entity's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

Arrangements put in place by the Board to monitor risk management include monthly reporting to the Board in respect of operations and the financial position of the Group.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

- On 30 November 2009 the Company appointed Ian Stalker as Managing Director;
- On 2 December 2009 the Company confirmed in the scoping study the potential of the Salamanca Project;
- On 23 December 2009 the Company advised the restructuring of the Royalty arrangements;
- On 12 January 2010 the Company terminated the Areva NC Heads of Agreement;
- On 26 February 2010 the Company advised a doubling of the Uranium Resource to 52Mlbs U308; and
- On 30 March 2010 the Company advised of an increase in the Uranium Resource to over 80 Mlbs U308.

SIGNIFICANT POST BALANCE DATE EVENTS

Since the end of the financial year, the following events have affected, or may affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the consolidated Entity in future financial years:

On 18 August 2010, the Company advised it had reached a Heads of Agreement with KEPCO for KEPCO to purchase a direct 35% interest in the Salamanca Project for an amount of US$70 million. Detailed Agreements are in the process of being completed. KEPCO will also execute a proposed offtake agreement to purchase 35% of the Salamanca Uranium Project's U308 production at industry standard terms, based on a mix of spot and term prices.

Other than the above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2010 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2010, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2010, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2010, of the Consolidated Entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

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

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

It is the Board's current intention that the Consolidated Entity will continue with development of its Spanish uranium projects. The Company will also continue to examine new opportunities in mineral exploration, including uranium.

All of these activities are inherently risky and the Board is unable to provide certainty that any or all of these activities will be able to be achieved. In the opinion of the Directors, any further disclosure of information regarding likely developments in the operations of the Consolidated Entity and the expected results of these operations in subsequent financial years may prejudice the interests of the Company and accordingly no further information has been disclosed.

INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF BERKELEY

	Interest in Securities at the Date of this Report				
	Ordinary Shares(i)	$0.75 Listed Options(ii)	$1.00 Incentive Options(iii)	$1.25 Incentive Options(iv)	$1.86 Incentive Options(v)
Robert Hawley	-	500,000	-	-	-
Ian Stalker	-	900,000	-	3,000,000	-
Scott Yelland	-	250,000	250,000	-	1,000,000
Jose Ramon Esteruelas	-	500,000	-	-	-
Sean James	-	250,000	-	-	-
James Ross	315,000	257,500	-	-	-
Matthew Syme	2,898,105	1,069,002	-	-	-

Notes

(i) "Ordinary Shares" means fully paid ordinary shares in the capital of the Company.
(ii) "$0.75 Listed Options" means an option to subscribe for 1 Ordinary Share in the capital of the Company at an exercise price of $0.75 each on or before 15 May 2013.
(iii) "$1.00 Incentive Options" means an option to subscribe for 1 Ordinary Share in the capital of the Company at an exercise price of $1.00 each on or before 19 June 2012.
(iv) "$1.25 Incentive Options" means an option to subscribe for 1 Ordinary Share in the capital of the Company at an exercise price of $1.25 each on or before 1 December 2013 (1/3), 1 December 2014 (1/3) and 1 December 2015 (1/3).
(v) "$1.86 Incentive Options" means an option to subscribe for 1 Ordinary Share in the capital of the Company at an exercise price of $1.86 each on or before 5 August 2011.

SHARE OPTIONS

At the date of this report the following options have been issued over unissued capital:

Listed Options

- 12,670,716 listed options at an exercise price of $0.75 each that expire on 15 May 2013.

Unlisted Options

- 1,500,000 unlisted options at an exercise price of $1.00 each that expire on 31 May 2013 (all exercised since the end of the financial year).
- 2,160,000 unlisted options at an exercise price of $1.86 each that expire on 5 August 2011.
- 787,500 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.
- 1,000,000 unlisted options at an exercise price of $1.25 each that expire on 1 December 2014.
- 1,000,000 unlisted options at an exercise price of $1.25 each that expire on 1 December 2015.
- 3,285,000 unlisted options at an exercise price of $1.35 each that expire on 18 June 2014.

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate. During the financial year, there were 11,600,000 new shares issued as a result of the exercise of unlisted options, and a further 269,040 new shares issued as a result of exercise of the listed options. Since 30 June 2010, there have been 1,500,000 new shares issued as a result of the exercise of the unlisted options due to expire on 31 May 2013.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2010, and the number of meetings attended by each director.

	Board Meetings Number Eligible to Attend	Board Meetings Number Attended
Current Directors		
Robert Hawley	6	5
Ian Stalker	3	3
Scott Yelland	6	6
Jose Ramon Esteruelas	6	5
Sean James	6	6
James Ross	6	6
Matthew Syme	6	6
Former Director		
Stephen Dattels	-	-

REMUNERATION REPORT (AUDITED) (30 JUNE 2010 YEAR END)

This report details the amount and nature of remuneration of each director and executive officer of the Company.

Details of Key Management Personnel

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

Directors

Robert Hawley	Non-Executive Chairman
Ian Stalker	Managing Director (appointed 30 November 2009)
Matthew Syme	Managing Director until 30 November 2009 then Non Executive Director
Scott Yelland	Chief Operating Officer / Executive Director
Sean James	Non-Executive Director
Jose Ramon Esteruelas	Non-Executive Director
James Ross	Non-Executive Director
Stephen Dattels	Non-Executive Director (Resigned 14 September 2009)

Executives

Sam Middlemas	Company Secretary (Appointed 1 July 2010)
Clint McGhie	Company Secretary (Resigned 1 July 2010)
Henry Horne	Chief Financial Officer (Appointed 23 April 2010)

There were no other key management personnel of the Company or the Group. Unless otherwise disclosed, the Key Management Personnel held their position from 1 July 2009 until the date of this report.

Mr Dattels was appointed a Director of the Company on 15 May 2009, and resigned as a Director on 14 September 2009.

REMUNERATION REPORT (AUDITED) (30 JUNE 2010 YEAR END) (Continued)

Remuneration Policy

The remuneration policy for the Group's Key Management Personnel (including the Managing Director) has been developed by the Board taking into account:

- the size of the Group;
- the size of the management team for the Group;
- the nature and stage of development of the Group's current operations; and
- market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

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

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

Remuneration Policy for Executives

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

Performance Based Remuneration – Incentive Options

The Board has chosen to issue incentive options to Key Management Personnel as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the Key Management Personnel and to provide an incentive linked to the performance of the Company. The Board considers that each Key Management Personnel's experience in the resources industry will greatly assist the Company in progressing its projects to the next stage of development and the identification of new projects. As such, the Board believes that the number of incentive options granted to Key Management Personnel is commensurate to their value to the Company.

The Board has a policy of granting options to Key Management Personnel with exercise prices at and/or above market share price (at time of agreement). As such, incentive options granted to Key Management Personnel will generally only be of benefit if the Key Management Personnel perform to the level whereby the value of the Company increases sufficiently to warrant exercising the incentive options granted.

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

REMUNERATION REPORT (AUDITED) (30 JUNE 2010 YEAR END) (Continued)

Performance Based Remuneration – Cash Bonus

In addition, some Key Management Personnel are entitled to an annual cash bonus upon achieving various key performance indicators, to be determined by the Board. On an annual basis, after consideration of performance against key performance indicators, the Board determines the amount, if any, of the annual cash bonus to be paid to each Key Management Personnel.

Impact of Shareholder Wealth on Key Management Personnel Remuneration

The Board does not directly base remuneration levels on the Company's share price or movement in the share price over the financial year. However, as noted above, a number of Key Management Personnel have received options which generally will only be of value should the value of the Company's shares increase sufficiently to warrant exercising the incentive options granted.

As a result of the Group's exploration and new business activities, the Board anticipates that it will retain future earnings (if any) and other cash resources for the operation and development of its business. Accordingly the Company does not currently have a policy with respect to the payment of dividends, and as a result the remuneration policy does not take into account the level of dividends or other distributions to shareholders (eg return of capital).

Impact of Earnings on Key Management Personnel Remuneration

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

Accordingly the Board does not consider current or prior year earnings when assessing remuneration of Key Management Personnel.

Remuneration Policy for Non Executive Directors

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

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

General

Where required, Key Management Personnel receive superannuation contributions (or foreign equivalent), currently equal to 9% of their salary, and do not receive any other retirement benefit. From time to time, some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to Key Management Personnel is valued at cost to the company and expensed. Incentive options are valued using the Binomial option valuation methodology. The value of these incentive options is expensed over the vesting period.

REMUNERATION REPORT (AUDITED) (30 JUNE 2010 YEAR END) (Continued)

Key Management Personnel Remuneration

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

	Short-Term Benefits							
2010	**Salary & Fees $**	**Cash Bonus $**	**Post Employ-ment Benefits $**	**Share-Based Payments $**	**Other Non-Cash Benefits(vi) $**	**Total $**	**Percentage of Total Remuneration that Consists of Options %**	**Percentage Performance Related %**
Directors								
Robert Hawley	101,923	-	-	-	-	101,923	-	-
Ian Stalker (i)	174,655	-	17,465	1,051,182	11,900	1,255,202	83.7	-
Matthew Syme (ii)	237,018	-	13,125	-	9,302	259,445	-	-
Scott Yelland	239,426	-	38,440	-	-	277,866	-	-
Sean James	43,581	-	-	-	-	43,581	-	-
James Ross	101,100	-	2,700	-	-	103,800	-	-
Jose Ramon Esteruelas	79,063	-	-	-	-	79,063	-	-
Stephen Dattels(iv)	-	-	-	-	-	-		
Executives								
Henry Horne (iii)	53,537	-	-	13,908	7,132	74,577	18.6	-
Clint McGhie(v)	-	-	-	-	-	-	-	-
2009								
Directors								
Robert Hawley	125,929	-	-	334,800	3,327	464,056	72.15	-
Matthew Syme	250,000	-	22,500	669,600	12,522	954,622	70.14	-
Scott Yelland	269,345	-	44,829	529,193	6,852	850,219	62.24	-
Sean James	40,656	-	-	167,400	6,852	214,908	77.89	-
James Ross	96,690	-	2,700	167,400	4,437	271,227	61.72	-
Jose Ramon Esteruelas	93,259	-	-	334,800	3,327	431,386	77.61	-
Stephen Dattels(iv)	-	-	-	167,400	418	167,818	99.75	-
Executives								
Clint McGhie(v)	-	10,000	-	-	-	10,000	-	100

Notes

(i) Mr Stalker joined the Company as Managing Director on 30 November 2009.
(ii) Mr Syme resigned as Managing Director on 8 February 2010, and continues on the Board as a Non Executive director.
(iii) Mr Horne jointed the Company as Chief Financial Officer on 23 April 2010.
(iv) Mr Dattels was appointed as a non-executive Director of the Company on 15 May 2009.
(v) Mr McGhie provided services as the Company Secretary through a services agreement between Berkeley Resources Limited and Apollo Group Pty Ltd. Under the agreement, Apollo Group Pty Ltd provides administrative, company secretarial and accounting services and the provision of a fully serviced office to the Company for a monthly retainer of $17,000 from 1 July 2009. The Board agreed to pay Mr McGhie a bonus of $10,000 during the year ended 30 June 2009 in addition to the retainer paid to Apollo Group Pty Ltd.
(vi) Other Non-Cash Benefits includes payments made for car-parking and insurance premiums on behalf of the Directors, including Directors & Officers insurance, and in some instances, working directors insurance.

Options Granted to Key Management Personnel

Details of options granted to each of the Key Management Personnel of the Company or Group during the financial year are as follows:

2010	Issuing Entity	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $	No. Granted	Total Value of Options Granted $	No. Vested
Ian Stalker	Berkeley Resources Ltd	1/4/2010	1/12/2013	1.25	0.8626	1,000,000	862,600	-
	Berkeley Resources Ltd	1/4/2010	1/12/2014	1.25	0.9437	1,000,000	943,700	-
	Berkeley Resources Ltd	1/4/2010	1/12/2015	1.25	1.0068	1,000,000	1,006,800	-
Henry Horne	Berkeley Resources Ltd	18/6/2010	18/6/2014	1.35	0.5538	416,666	230,750	-
	Berkeley Resources Ltd	18/6/2010	18/6/2014	1.35	0.5538	416,667	230,750	-
	Berkeley Resources Ltd	18/6/2010	18/6/2014	1.35	0.5538	416,667	230,750	-
2009								
Robert Hawley	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	500,000	334,800	500,000
Matthew Syme	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	1,000,000	669,600	1,000,000
Scott Yelland (ii)	Berkeley Resources Ltd	27-Nov-08	19-Jun-12	1.00	0.097	250,000	24,250	83,333
	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	250,000	167,400	250,000
Sean James	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	250,000	167,400	250,000
James Ross	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	250,000	167,400	250,000
Jose Ramon Esteruelas	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	500,000	334,800	500,000
Stephen Dattels	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	250,000	167,400	250,000

Notes

(i) For details on the valuation of the options, including models and assumptions used, please refer to Note 19 to the financial statements.

(ii) In addition to the above, at 30 June 2010, 666,666 $1.86 Incentive Options issued to Mr Yelland on 6 August 2007 had vested. 333,333 of these options remain to vest.

(iii) During the financial year there were no options exercised or lapsed.

REMUNERATION REPORT (AUDITED) (30 JUNE 2010 YEAR END) (Continued)

Employment Contracts with Directors and Executive Officers

Mr Ian Stalker, Managing Director, has a contract of employment with Berkeley Resources Limited dated 14 November 2009. The contract specifies the duties and obligations to be fulfilled by the Managing Director. The contract has a rolling term and may be terminated by the Company by giving three months notice. No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Stalker receives a fixed remuneration component of £160,000 per annum plus 10% superannuation and the provision of a motor vehicle.

Following shareholder approval on 1 April 2010, Mr Stalker was granted 1,000,000 unlisted options exercisable at $1.25 each on or before 1 December 2013 (12 months vesting period), 1,000,000 unlisted options exercisable at $1.25 on or before 1 December 2014 (24 months vesting period), and 1,000,000 unlisted options exercisable at $1.25 each on or before December 2015 (36 months vesting period).

Mr Matthew Syme, terminated his employment contract as Managing Director on 1 February 2010, and entered into a new letter agreement as a Non Executive Director. The letter specifies the duties and obligations to be fulfilled as a Non Executive Director, and the remuneration is fixed at $30,000 per annum plus 9% superannuation. The letter also includes a consultancy arrangement which provides for a consultancy fee at the rate of $1,200 per day, on an as required basis. The consultancy arrangement has a rolling term and may be terminated by the Company by giving 1 months notice.

Mr Scott Yelland was appointed Chief Operating Officer of the Company on 6 April 2007 and was subsequently appointed a Director of the Company on 1 February 2008. Mr Yelland has a letter of employment with Berkeley Resources Limited dated 27 March 2007. The letter specifies the duties and obligations to be fulfilled by the Chief Operating Officer. The letter of employment may be terminated by either party by giving three months notice. No amount is payable by the Company in the event of termination for neglect of duty or gross misconduct. Mr Yelland receives a fixed remuneration component of £125,000 per annum exclusive of employer National Insurance Contributions (United Kingdom).

Prior to his appointment as a Director and in accordance with his engagement terms Mr Yelland was granted 1,000,000 options, with an exercise price of $1.86 each, on 6 August 2007 under the Employee Option Scheme approved by shareholders on 21 June 2007. The options will vest in 3 equal tranches every 12 months from the date of commencement and will expire on 5 August 2011.

Following shareholder approval on 27 November 2008, Mr Yelland was granted 250,000 unlisted incentive options exercisable at $1.00 each. The options will vest in 3 equal tranches every 12 months from the date of commencement and will expire on 19 June 2012.

Following shareholder approval on 6 May 2009, Mr Yelland was granted 250,000 listed options exercisable at $0.75 each on or before 15 May 2013.

Dr James Ross, Technical Director, has a letter of engagement with Berkeley Resources Limited dated 10 September 2009. The letter specifies the duties and obligations to be fulfilled by the Technical Director. Dr Ross receives a fixed remuneration component of $30,000 per annum exclusive of superannuation. The letter also includes a consultancy arrangement which provides for a consultancy fee at the rate of $900 per day, with a minimum of 1 day per week. The consultancy arrangement has a rolling term and may be terminated by the Company by giving 1 months notice.

Following shareholder approval on 6 May 2009, Dr Ross was granted 250,000 listed options exercisable at $0.75 each on or before 15 May 2013.

Dr Robert Hawley, Non Executive Chairman, was appointed a Director of the Company on 20 April 2006. Dr Hawley has a letter of engagement with Berkeley Resources Limited dated 19 April 2006. The letter specifies a fixed remuneration component of £55,000 per annum.

Following shareholder approval on 6 May 2009, Dr Hawley was granted 500,000 listed options exercisable at $0.75 each on or before 15 May 2013.

Employment Contracts with Directors and Executive Officers (Continued)

Mr Sean James, Non Executive Director, was originally appointed an Executive Director of the Company on 28 July 2006. Mr James had a letter of employment with Berkeley Resources Limited dated 28 July 2006 and was to receive a fixed remuneration component of £100,000 per annum exclusive of employer National Insurance Contributions (United Kingdom). On 17 November 2006, Mr James relinquished his executive role but remained as a Non Executive Director and consultant to the Company. Mr James receives a fixed remuneration of £18,000 per annum. The letter also includes a consultancy agreement which provides for a consultancy fee of £400 per day. The consultancy agreement has a rolling term and may be terminated by Mr James or by the Company giving one month's notice.

Following shareholder approval on 6 May 2009, Mr James was granted 250,000 listed options exercisable at $0.75 each on or before 15 May 2013.

Señor Jose Ramon Esteruelas, Non Executive Director, was appointed a Director of the Company on 1 November 2006. Señor Esteruelas has a letter of employment with Berkeley Resources Limited dated 16 November 2006. Señor Esteruelas receives a fixed remuneration component of €48,000 per annum. The letter also includes a consultancy agreement which provides for a consultancy fee of €1,000 per day. The consultancy agreement has a rolling term and may be terminated by Señor Esteruelas or by the Company by giving one month's notice.

Following shareholder approval on 6 May 2009, Señor Esteruelas was granted 500,000 listed options exercisable at $0.75 each on or before 15 May 2013.

Mr Stephen Dattels, Non Executive Director, was appointed a Director of the Company on 15 May 2009 and resigned on 14 September 2009. Mr Dattels received no fixed remuneration.

Following shareholder approval on 6 May 2009 and his appointment on 15 May 2009, Mr Dattels was granted 250,000 listed options exercisable at $0.75 each on or before 15 May 2013.

Mr Henry Horne was appointed Chief Financial Officer on 28 April 2010. The contract specifies the duties and obligations to be fulfilled by the Chief Financial Officer. The contract has a rolling term and may be terminated by the Company by giving three months notice. No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Horne receives a fixed remuneration component of £136,000 per annum plus Spanish superannuation, the provision of accommodation in Spain, the provision of a motor vehicle, medical and life insurance expenses.

The Board granted Mr Horne 1,250,000 unlisted options exercisable at $1.35 each on or before 18 June 2014 (with 33% vesting after 12 months, 33% vesting after 24 months, and 33% vesting after 36 months).

Exercise of Options Granted as Remuneration

During the financial year ended 30 June 2010, there were no options granted as remuneration that were exercised (2009: Nil).

AUDITOR'S AND OFFICERS' INDEMNITIES AND INSURANCE

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

During the financial year, the Company has paid an insurance premium to insure Directors and officers of the Company against certain liabilities arising out of their conduct while acting as a Director or Officer of the Company. The net premium paid was $23,078. Under the terms and conditions of the insurance contract, the nature of liabilities insured against cannot be disclosed.

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

NON-AUDIT SERVICES

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on page 28 of the Concise Financial Report.

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

For and on behalf of the Directors

IAN STALKER
Managing Director

24 September 2010

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Ross Corben, who is a member of The Australian Institute of Mining and Metallurgy and a full-time employee of Berkeley Resources Limited. Mr. Corben has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Corben consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

		Consolidated	
	Note	2010 $	2009 $
Revenue from continuing operations	2	**712,783**	**700,250**
Administration costs		(1,468,278)	(1,331,974)
Exploration costs		(10,732,103)	(5,783,641)
Provision for capitalised exploration expenditure		-	(328,383)
Business development costs		(343,829)	(270,707)
Other share based payments expense		(1,488,365)	(2,999,115)
Cancellation of royalty		(920,884)	-
Foreign exchange gain/(loss)		-	(378)
Loss before income tax expense		**(14,240,676)**	**(10,013,948)**
Income tax expense		-	-
Loss after income tax expense		**(14,240,676)**	**(10,013,948)**
Other Comprehensive Income			
Exchange differences arising on translation of foreign operations		**(1,742,832)**	**(161,217)**
Income tax on other comprehensive income		**-**	**-**
Total Comprehensive Loss		**(15,983,508)**	**(10,175,165)**
Loss attributable to:			
Non controlling interest		1,098	(4,742)
Members of Berkeley Resources Limited		(14,241,774)	(10,009,206)
Loss after income tax expense		**(14,240,676)**	**(10,013,948)**
Total comprehensive loss attributable to:			
Non controlling interest		1,098	(4,953)
Members of Berkeley Resources Limited		(15,984,606)	(10,170,212)
Total Comprehensive Loss		**(15,983,508)**	**(10,175,165)**
Basic loss per share (cents per share)		(11.08)	(9.47)
Diluted loss per share (cents per share)		(11.08)	(9.47)

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Consolidated 2010 $	Consolidated 2009 $
ASSETS		
Current Assets		
Cash and cash equivalents	10,244,114	11,479,554
Trade and other receivables	193,138	1,529,241
Other financial assets	-	107,956
Total Current Assets	**10,437,252**	**13,116,751**
Non-current Assets		
Exploration expenditure	12,843,327	14,388,045
Property, plant and equipment	482,017	520,590
Other financial assets	215,076	279,276
Total Non-current Assets	**13,540,420**	**15,187,911**
TOTAL ASSETS	**23,977,672**	**28,304,662**
LIABILITIES		
Current Liabilities		
Trade and other payables	1,694,344	838,902
Provisions	22,068	197,812
Other financial liabilities	273,524	10,768
Total Current Liabilities	**1,989,936**	**1,047,482**
TOTAL LIABILITIES	**1,989,936**	**1,047,482**
NET ASSETS	**21,987,736**	**27,257,180**
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	58,618,042	49,391,245
Reserves	4,834,009	6,366,822
Accumulated losses	(41,464,315)	(28,501,985)
Parent Interests	**21,987,736**	**27,256,082**
Non Controlling Interests	**-**	**1,098**
TOTAL EQUITY	**21,987,736**	**27,257,180**

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

STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2010

	Consolidated	
	2010 $	2009 $
Cash flows from operating activities		
Payments to suppliers and employees	(10,037,201)	(7,680,368)
Interest received	333,518	797,527
Grant received	359,287	797,527
Net cash inflow/(outflow) from operating activities	**(9,344,396)**	**(6,882,841)**
Cash flows from investing activities		
Payments for exploration	(91,031)	(8,987,337)
Security bond deposit	172,156	(6,800)
Amounts repaid to third parties	-	(79,396)
Payment for acquisition of subsidiary	-	(36,036)
Net cash acquired on acquisition of subsidiary	-	20,005
Payments for property, plant and equipment	(271,246)	(74,724)
Net cash inflow/(outflow) from investing activities	**(190,121)**	**(9,164,288)**
Cash flows from financing activities		
Proceeds from issue of shares	8,369,500	9,939,792
Transaction costs from issue of shares and options	(27,703)	(399,072)
Net cash inflow from financing activities	**8,341,797**	**9,540,720**
Net increase/(decrease) in cash and cash equivalents held	**(1,192,720)**	**(6,506,409)**
Cash and cash equivalents at the beginning of the financial year	**11,479,554**	**18,171,171**
Effects of exchange rate changes on cash and cash equivalents	**(42,720)**	**(185,208)**
Cash and cash equivalents at the end of the financial year	**10,244,114**	**11,479,554**

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

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2010

Consolidated	Issued Capital $	Option Premium Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Non Controlling Interest $	Total Equity $
As at 1 July 2008	**41,444,842**	**4,472,973**	**(23,704)**	**(20,890,335)**	**1,487**	**25,005,263**
Net loss for the period	-	-	-	(10,009,206)	(4,742)	(10,013,948)
Other Comprehensive Income: Exchange differences arising on translation of foreign operations	-	-	(161,006)	-	(211)	(161,217)
Total comprehensive income	-	-	(161,006)	(10,009,206)	(4,953)	(10,175,165)
Transactions with owners, recorded directly in equity						
Step up acquisition of minority interest	-	-	-	-	4,564	4,564
Issue of shares	9,939,792	-	-	-	-	9,939,792
Share issue costs	(1,993,389)	-	-	-	-	(1,993,389)
Expiry of incentive options	-	(2,357,250)	-	2,357,250	-	-
Cancellation of incentive options:						
Vested	-	(40,306)	-	40,306	-	-
Unvested	-	(38,788)	-	-	-	(38,788)
Cost of share based payments	-	4,514,903	-	-	-	4,514,903
As at 30 June 2009	**49,391,245**	**6,551,532**	**(184,710)**	**(28,501,985)**	**1,098**	**27,257,180**
As at 1 July 2009	**49,391,245**	**6,551,532**	**(184,710)**	**(28,501,985)**	**1,098**	**27,257,180**
Net loss for the period	-	-	-	(14,240,676)	(1,098)	(14,241,774)
Other Comprehensive Income: Exchange differences arising on translation of foreign operations	-	-	(1,742,832)	-		(1,742,832)
Total comprehensive income	-	-	(1,742,832)	(14,240,676)	(1,098)	(15,984,606)
Transactions with owners, recorded directly in equity						
Issue of shares	9,254,500	-	-	-	-	9,254,500
Share issue costs	(27,703)	-	-	-	-	(27,703)
Share based payments exercised	-	(1,278,346)	-	1,278,346	-	-
Cost of share based payments	-	1,488,365	-	-		1,488,365
As at 30 June 2010	**58,618,042**	**6,761,551**	**(1,927,542)**	**(41,464,315)**	**-**	**21,987,736**

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

1. BASIS OF PREPARATION

The concise financial statements have been prepared in accordance with the *Corporations Act 2001* and Accounting Standard AASB1039 "Concise Financial Reports". The concise financial statements are an extract from the full financial statements. The concise financial statements and specific disclosures included in the concise financial statements have been derived from the full financial statements of Berkeley Resources Limited.

All amounts are presented in Australian dollars.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

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

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. There is no material impact of the adoption of these new accounting standards on the financial statements at 30 June 2010.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2010 are as follows:

AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]
AASB 2009-8	Amendments to Australian Accounting Standard – Group cash-settled Share-based Payment Transactions
AASB 2009-10	Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12
AASB 2009-12	Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]
Interpretation 19	Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

	Consolidated	
	2010 $	2009 $
3. REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS		
Revenue – Interest Income	**353,496**	700,250
Other Income	**75,911**	-
Grant Income received	**283,376**	-
	712,783	700,250

4. SEGMENT INFORMATION

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

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

5. SUBSEQUENT EVENTS

Since the end of the financial year, the following events have significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years:

On 18 August 2010, the Company advised it had reached a Heads of Agreement with KEPCO for KEPCO to purchase a direct 35% interest in the Salamanca Project for an amount of US$70 million. Detailed agreements are in the process of being completed. KEPCO will also execute a proposed offtake agreement to purchase 35% of the Salamanca Uranium Project's U308 production at industry standard terms, based on a mix of spot and term prices.

Other than the above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2010 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2010, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2010, of the Consolidated Entity; or

the state of affairs, in financial years subsequent to 30 June 2010, of the Consolidated Entity.

DIRECTORS' DECLARATION

The Directors declare that:

(a) in the directors opinion, the attached financial statements and notes thereto comply with Australian Accounting Standard AASB 1039 "Concise Financial Reports"; and

(b) the attached financial statements and notes thereto have been derived from the full financial report of the company.

Signed in accordance with a resolution of the directors.

On behalf of the Board.

IAN STALKER
Managing Director

24 September 2010

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24 September 2010

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 audit of the financial statements of Berkeley Resources Limited for the year ended 30 June 2010, 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
(Authorised Audit Company)

John P Van Dieren
Director

Liability limited by a scheme approved under Professional Standards Legislation

Member of Russell Bedford International

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INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF BERKELEY RESOURCES LIMITED
REPORT ON THE CONCISE FINANCIAL REPORT

The accompanying concise consolidated financial report of Berkeley Resources Limited comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, changes in equity and cash flow for the year then ended and related notes, derived from the audited consolidated financial report of Berkeley Resources Limited for the year ended 30 June 2010. The concise consolidated financial report does not contain all the disclosures required by Australian Accounting Standards.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and presentation of the concise consolidated financial report in accordance with Australian Accounting Standard AASB 1039: Concise Financial Reports, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise consolidated financial report based on our audit procedures. We conducted an independent audit in accordance with Australian Auditing Standards, of the financial report of Berkeley Resources Limited for the year ended 30 June 2010. Our audit report on the financial report for the year was signed on 24 September 2010 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information included in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise consolidated financial report complies with Accounting Standards AASB 1039: Concise Financial Reports.

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

Stantons International
ABN 44 103 088 697

Independence

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

Auditor's Opinion

In our opinion, the concise consolidated financial report of Berkeley Resources Limited for the year ended 30 June 2010 complies with Australian Accounting Standard AASB 1039: Concise Financial Reports.

REPORT ON THE REMUNERATION REPORT

We have audited the remuneration report included on pages 13 to 19 of the directors' report for the year ended 30 June 2010.

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Berkeley Resources Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

STANTONS INTERNATIONAL
(An Authorised Audit Company)

Stantons International

John P Van Dieren
Director

Perth
Date: 24 September 2010