ANNUAL FINANCIAL REPORT

30 JUNE 2013

ABN 40 052 468 569

CORPORATE DIRECTORY

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

Company Secretary
Mr Clint McGhie

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DIRECTORS' REPORT
30 JUNE 2013

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 2013 ("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:

Mr Ian Middlemas – Non-Executive Chairman
Dr James Ross – Non-Executive Deputy Chairman
Mr Robert Behets – Non-Executive Director
Señor Jose Ramon Esteruelas - Non-Executive Director (resigned 29 November 2012)
Mr Matthew Syme - Non-Executive Director (resigned 2 August 2012)

Unless otherwise disclosed, Directors held their office from 1 July 2012 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Ian Middlemas
Non-Executive Chairman
Qualifications – B.Com, CA

Mr Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director and Chairman of Berkeley Resources Limited on 27 April 2012. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Prairie Downs Metals Limited (August 2011 – present), Papillon Resources Limited (May 2011 – present), Pacific Ore Limited (April 2010 – present), Wildhorse Energy Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), WCP Resources Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Sierra Mining Limited (January 2006 – present), Odyssey Energy Limited (September 2005 – present), Global Petroleum Limited (April 2007 – December 2011), Coalspur Mines Limited (March 2007 – October 2011), Mantra Resources Limited (September 2005 – June 2011), Aguia Resources Limited (September 2008 – August 2010) and Pacific Energy Limited (June 2006 – August 2010).

James Ross AM
Non-Executive Deputy Chairman
Qualifications – B.Sc. (Hons.), 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. He has not been a Director of another listed company in the three years prior to the end of the financial year.

CURRENT DIRECTORS AND OFFICERS (Continued)

Robert Behets
Non-Executive Director
Qualifications – B.Sc (Hons), FAusIMM, MAIG

Mr Behets is a geologist with over 25 years' experience in the mineral exploration and mining industry in Australia and internationally. He was instrumental in the founding, growth and development of Mantra Resources Limited, an African focused uranium company, through to its acquisition by ARMZ for approximately A$1 billion in 2011. Prior to Mantra, Mr Behets held various senior management positions during a long career with WMC Resources Limited.

Mr Behets has a strong combination of technical, commercial and managerial skills and extensive experience in exploration, mineral resource and ore reserve estimation, feasibility studies and operations across a range of commodities, including uranium, gold and base metals. He is a Fellow of The Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and a current member of the Australasian Joint Ore Reserve Committee (JORC).

Mr Behets was appointed a Director of the Company on 27 April 2012. During the three year period to the end of the financial year, Mr Behets has held directorships in Papillon Resources Limited (May 2012 – present) and Mantra Resources Limited (November 2005 – June 2011).

Francisco Bellón
General Manager Operations
Qualifications – M.Sc

Mr Bellón is a Mining Engineer (MSc) with further specialisation in mineral processing and metallurgy with over 18 years experience in operational and project management roles in Europe, South America and West Africa. He held various senior management roles with TSX listed Rio Narcea Gold Mines during a 10 year career with the company, including Plant Manager for El Valle/Carles process facility and Operations Manager prior to its acquisition by Lundin Mining in 2007. During this period, Mr Bellón was involved in the development, construction, commissioning and production phases of a number of mining operations in Spain and Mauritania including El Valle-Boinás / Carlés (open pit and underground gold-copper mines in northern Spain), Aguablanca (open pit nickel-copper mine in southern Spain) and Tasiast (currently Kinross' world class open pit gold mine in Mauritania). He subsequently joined Duro Felguera, a large Spanish engineering house, where as Manager of the Mining Business, he managed the peer review, construction and commissioning a number of large scale mining operations in West Africa and South America in excess of US$1B.

Mr Bellón joined Berkeley Resources in May 2011.

Javier Colilla
Senior Vice President Corporate
Qualifications – Econ (Hons), LLB (Hons), MBA

Mr Colilla is a Mineral Economist and Lawyer, with a MBA degree. With prior experience in auditing and insurance sectors, he has over 25 years experience in the mining sector commencing as the Managing Director of an international drilling company in the early 1980's. He subsequently worked for Anglo American as General Manager of their Spanish subsidiaries, whilst also contributing as international staff member to several projects in Europe and South America. Mr Colilla held various executive management roles during a long career with the TSX listed Rio Narcea Gold Mines, including Vice President Business Development, Chief Financial Officer, Senior Vice President Corporate, as well as Administrator/Director of its subsidiaries. During this period, he was involved in all aspects of commercial, legal and joint venture management, permitting, stakeholder engagement, government liaison and project financing for a number of mining operations in Spain and internationally including El Valle-Boinás / Carlés, Aguablanca and Tasiast. Following the acquisition of Rio Narcea Gold Mines by Lundin Mining in 2007, Mr Colilla consulted on renewable energies projects and advised several international leading legal firms in the areas of public aid financing (domestic and international) financing and due diligence exercises in relation to Spanish mining companies being acquired by multinational mining groups.

Mr Colilla joined Berkeley Resources in April 2010.

Mr Clint McGhie
Company Secretary and Chief Financial Officer
Qualifications – B.Com, CA, ACIS, FFin

Mr McGhie is a Chartered Accountant and Chartered Secretary. He commenced his career at a large international Chartered Accounting firm, before moving to commerce in the role of financial controller and company secretary. Mr McGhie now works in the corporate office of a number of public listed companies focussed on the resources sector.

Mr McGhie was appointed Company Secretary and Chief Financial Officer of Berkeley Resources Limited on 18 May 2012.

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

	2013	2012
The number of full time equivalent people employed by the Consolidated Entity at balance date	30	38

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2013 (2012: nil).

EARNINGS PER SHARE

	2013 Cents	2012 Cents
Basic loss per share	(6.21)	(7.70)
Diluted loss per share	(6.21)	(7.70)

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

	2013 $	2012 $
Loss of the Consolidated Entity before income tax expense	(11,145,447)	(13,487,535)
Income tax expense	(43,630)	-
Net loss	(11,189,077)	(13,487,535)
Net loss attributable to members of Berkeley Resources Limited	(11,189,077)	(13,487,535)

OPERATING AND FINANCIAL REVIEW

Berkeley is a uranium exploration and development company with a quality resource base in Spain. The Company is currently focussed on advancing its wholly owned flagship Salamanca Project.

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

The Company completed an initial assessment of the integrated development of the Retortillo and Alameda deposits in November 2012. The results of this Scoping Study clearly demonstrated the potential of the Salamanca Project to support a significant scale, long life uranium mining operation. The Company subsequently commenced a Pre-Feasibility Study ('PFS') which is well advanced.

Operations

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

(i) Positive Scoping Study

Using only the Mineral Resource Estimates ('MRE') for Retortillo and Alameda, as a base case scenario, the results of a positive Scoping Study confirmed the technical and economic viability of the Salamanca Project, including:

- Initial mine life of 11 years, including 7 years steady state operation, with strong potential to increase;
- Steady state annual production of 3.2 million pounds U_3O_8, with average annual production of 2.6 million pounds U_3O_8 over the life of mine;
- Life of mine average operating costs of US$25.65 per pound of U_3O_8;
- Upfront capital cost of US$83.6 million to deliver initial production. A further US$95.0 million, incurred in the second year of production and largely funded from operating cashflow, to achieve steady state operation; and
- The Project's capital cost reflects the excellent existing infrastructure, use of heap leaching as the preferred processing route, and the favoured mining contractor scenario (no mining fleet capital expenditure).

(ii) Advancement of Pre-Feasibility Study

A PFS for the Salamanca Project, which is focussed on the integrated development of Retortillo and Alameda, has been the Company's key focus during the second half of the year.

The PFS is being led by Johannesburg based SENET, assisted by SRK Consulting for mine design, Knight Piesold for heap design, Duro Felguera for project cost estimates and URS for environmental management.

The Study is well advanced and on schedule for completion by the end of September 2013. Work completed to date includes:

- Metallurgical testwork programs at the Mintek laboratories in Johannesburg and the Australian Nuclear Science and Technology Organisation ('ANSTO') facilities in Sydney;
- Resource infill drilling aimed at upgrading the classification of a significant portion of the current Inferred MRE at Retortillo to the Indicated category; and
- Mining waste characterisation testwork, geotechnical testwork, hydrogeology studies, infrastructure and site layout assessment, heap leach pad design, and a detailed mine scheduling and materials movement optimisation study.

(iii) Positive Progress with Permitting

The permitting process for Retortillo continued to advance:

- Successful completion of a public information process which entailed the Company's Exploitation Plan, Reclamation and Closure Plan, Environmental and Social Impact Assessment ('EIA'), Initial Authorisation of the Process Plant as a Radioactive Facility, and Exceptional Authorisation for Land Use (application for reclassification from rural to mining use) being submitted for review during a 30 day Public Information Period;
- A favourable recommendation report has been provided by the Environmental Technical and Executive Committees of the Regional Government following their review of the Company's EIA and associated documentation;
- The Declaration of Environmental Impact (Environmental Licence) is now only pending the formal approval of the Minister of Environment of the Regional Government and subsequent release in the Official Gazette. The Declaration of Environmental Impact, along with the compulsory recommendation report from the Nuclear Safety Council ('NSC') and the approval of Company's Exploitation and Reclamation and Closure Plans, are prerequisites for the granting of the Exploitation Concession (Mining Licence);
- The NSC has submitted a favourable recommendation report regarding the granting of the Exploitation Concession to the Regional Government following its review of the Company's plans for exploitation, reclamation and closure; and
- The Exceptional Authorisation for Land Use (application for reclassification from rural to industrial use) of the affected surface land area at Retortillo has been approved by the relevant authorities at the Urban and Town Planning Department of Salamanca, subject to the issuance of the Environmental Licence.

(iv) Gambuta Resource Update

An updated Inferred MRE of 12.7 million tonnes averaging 394 ppm U_3O_8 for a contained 11.1 million pounds of U_3O_8 at a lower cut-off grade of 200 ppm U_3O_8 was reported for Gambuta. This represented a 20% increase in contained uranium compared to the prior MRE and reflected the results of an infill drilling program which intersected thicker zones of high grade mineralisation and extended the limits of the deposit.

The evaluation of the Gambuta deposit has been advanced to the Scoping Study stage.

(v) High Grade Mineralisation Intersected at Zona 7

Assay results returned from a recent reverse circulation ('RC') drilling program have confirmed that the Zona 7 mineralisation extends a further 1,200 metres to the southwest of the current resource area. The drilling essentially doubled the strike extent of the mineralised zone and it remains open. Significant high grade intersections have been recorded at shallow depths (from 9 metres to a maximum depth of 84 metres), with thicknesses up to 29 metres. Better intercepts included 29 metres @ 3,391 ppm U_3O_8, 17 metres @ 1,260 ppm U_3O_8, 15 metres @ 1,392 ppm U_3O_8, 25 metres @ 683 ppm U_3O_8 and 13 metres @ 1,161 ppm U_3O_8.

Zona 7 is the largest of the Retortillo Satellite Deposits and currently hosts an Inferred MRE of 3.9 million tonnes averaging 414 ppm U_3O_8 for a contained 3.6 million pounds of U_3O_8 at a 200 ppm U_3O_8 cut-off grade. This Inferred MRE is as at July 2012 and does not include the results of the recent drilling. It is located within 10 kilometres of the proposed location of the centralised processing plant at Retortillo.

OPERATING AND FINANCIAL REVIEW (Continued)

Salamanca Project

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

Project Evaluation

Scoping Study Results

In November 2012, the Company completed an initial assessment of the integrated development of Retortillo and Alameda and reported the results of the Scoping Study ('the Study'), which clearly demonstrated the potential of the Salamanca Project to support a significant scale, long life uranium mining operation.

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

Using only the MREs for Retortillo and Alameda, which totalled 33.9 million pounds U_3O_8 (35.9 million tonnes at 429 ppm; 200 ppm U_3O_8 cut-off grade), as a base case scenario, the Study showed that the Project can support an average annual production of 3.2 million pounds of U_3O_8 during the seven years of steady state operation and 2.6 million pounds of U_3O_8 over a minimum eleven year mine life. There is strong potential to increase this production profile and mine life through the exploitation of additional resources held by the Company and with ongoing exploration work.

The Study was based on open pit mining, heap leaching, a centralised process plant at Retortillo, and a remote ion exchange operation at Alameda, with loaded resin trucked to the centralised plant for final extraction and purification. The Company favoured a contractor mining scenario. The average annual ore processing rate during steady state operation was 5.5 million tonnes. Operating cost estimates (C1 cash costs) averaged US$25.65 per pound U_3O_8 over the life of mine.

The initial capital cost (nominally ± 30% accuracy) for the Project were estimated at US$83.6 million. This cost is inclusive of all mine, processing, infrastructure and indirect costs required to develop and commence production at Retortillo. A further US$95.0 million of capital, incurred in the second year of production and largely funded from operating cashflow, is required to develop Alameda and achieve steady state operation. The Project's capital cost reflects the excellent existing infrastructure, use of heap leaching as the preferred processing route, and the favoured mining contractor scenario (no mining fleet capital expenditure).

For further details on the Scoping Study referred to the Company's ASX Announcement dated 29 November 2012.

Pre-Feasibility Study

Following completion of the Scoping Study, Berkeley commenced a PFS for the Salamanca Project. The PFS, which is focussed on the integrated development of Retortillo and Alameda, is being led by SENET, assisted by SRK Consulting for the mine design, Knight Piesold for heap design, Duro Felguera for project cost estimates and URS for environmental management.

A mine scheduling and materials movement optimisation study, further metallurgical testwork programs at Mintek's laboratory in Johannesburg and the ANSTO facilities in Sydney, and infrastructure and site layout assessments have been undertaken as part of the PFS, with the aim of identifying opportunities to further enhance the Project economics through capital and operating cost reductions. Engineering studies are being developed to support a capital cost estimate for the Project to a level of accuracy of nominally ±20%. A resource infill drilling program has also been completed at Retortillo.

The PFS is well advanced and remains on schedule for completion by the end of September 2013.

Resource Drilling

The current MREs for Retortillo and Alameda have 61% and 95% of the total resource respectively classified into the Indicated Resource category (refer June 2012 Quarterly Report and Table 1). The MRE's were prepared by Berkeley in July 2012 and reported in accordance with the JORC Code (2004).

Table 1 - Summary of Mineral Resource Estimates

Retortillo and Alameda Mineral Resource Estimates as at July 2012 Reported at a lower cut-off grade of 200 ppm U_3O_8				
	Category	**Tonnage (million tonnes)**	**Grade (U_3O_8 ppm)**	**Contained U_3O_8 (million pounds)**
Retortillo	Indicated	8.9	395	7.8
	Inferred	6.2	366	5.0
	Sub Total	**15.2**	**383**	**12.8**
Alameda	Indicated	20.0	455	20.1
	Inferred	0.7	657	1.0
	Sub Total	**20.7**	**462**	**21.1**
Combined	Indicated	29.0	437	27.9
	Inferred	6.9	396	6.0
	Total	**35.9**	**429**	**33.9**

An infill drilling program, aimed at upgrading the classification of the portion of the Inferred Resource that falls within the optimised pit outline into the Indicated category, was completed at Retortillo during the June quarter of 2013.

In total, the resource infill program comprised 67 RC drill holes for approximately 4,400 metres. Assay results returned from the drilling were largely in line with expectations based on the July 2012 resource model, with some local variability observed. Significant intersections were recorded at shallow depths (from surface to a maximum depth of 88 metres) with thicknesses up to 21 metres. The drilling also confirmed that the mineralisation extends a further 200 metres to the northwest beyond the northern limit of the current resource boundary and it remains open. Select intercepts from the drilling program included:

Hole No.	***Down Hole Intercept***	***From Depth (Down Hole)***
SNR-343	*20m @ 657 ppm U_3O_8*	*18m*
RTR-367	*8m @ 1,207 ppm U_3O_8*	*25m*
RTR-393	*9m @ 789 ppm U_3O_8*	*22m*
RTR-387	*21m @ 334 ppm U_3O_8*	*31m*
RTR-389	*9m @ 574 ppm U_3O_8*	*47m*

The data obtained from this drilling program will form the basis for a revised MRE for Retortillo, which will be completed in September and be incorporated into the PFS.

Diamond drilling ('DD') was also conducted at Retortillo and Alameda during the year to provide drill core for metallurgical and geotechnical testwork. A total of 43 DD holes for approximately 2,030 metres were drilled (Table 2).

OPERATING AND FINANCIAL REVIEW (Continued)

Metallurgical Testwork

A comprehensive metallurgical testwork program has been completed at the Mintek laboratories in Johannesburg. The testwork program was aimed at confirming the leaching efficiency for each phase of the mine schedule and testing ore variability with respect to geo-mechanical behaviour at both Retortillo and Alameda, and with respect to size distribution at Alameda.

Key outcomes of the testwork program include:

- Column stacking tests performed on fresh feed and residues from both Retortillo and Alameda confirmed that heap stacking heights of six metres can be used in the PFS
  - The results demonstrated that all Retortillo heads and residues have a minimum porosity of 30%, giving a bulk density below 1.85 at a stacking height of 10 metres. At a 10 metre stacking height the saturated hydraulic conductivities were above the target of 100 times the target application rate.
  - Alameda material was shown to be substantially more competent than the Retortillo material. Degradation and fines generation during leaching was minimal, suggesting that little change to the hydraulic properties will occur during the leach cycle. The residue samples at -12mm crush size maintained saturated hydraulic conductivities above the target at stacking heights of 10 metres.
- Hydrodynamic column tests performed on Retortillo residues confirmed that the heap would be geotechnically stable at the assumed stack height and irrigation rate
  - Heap saturation of less than 50% was recorded for Retortillo residues at a bulk density equivalent to a six metre stack height and at an irrigation rate of 10 $L/m^2/hr$. This is well below the threshold heap saturation for geotechnical stability of 75-85%. No stability issues are envisaged for the Alameda heap given that the ore is substantially more competent than the Retortillo ore.
- Recovery data have shown optimal metallurgical recovery performance at the crush sizes of 40mm and 12mm for Retortillo and Alameda respectively. A direct relationship between recovery and crush size has been observed in all tests at Alameda, whilst recovery at Retortillo has been shown to be relatively insensitive to crush size.
- Uranium recovery of 85% is anticipated for both Retortillo and Alameda based on the testwork results, which is consistent with previous testwork campaigns. The 85% uranium recovery assumption takes into account the results obtained from 24 column tests carried out on three representative samples from each deposit and tested under different leaching conditions.
- Acid consumption reported during the testwork averaged 18 kilograms per tonne for both Retortillo and Alameda. An opportunity to further improve the acid consumption by optimizing the pH in which uranium can be dissolved (minimising the dissolution of other elements, principally iron) will be evaluated in the next phase of testwork.

A further metallurgical testwork program, designed to facilitate the selection of the optimal backend of the process, was completed at ANSTO. The testwork program compared the performance of direct Solvent Extraction ('SX') and ammonium diuranate ('ADU') precipitation with that of ion exchange ('IX') and UO_4 precipitation, with the results confirming the Scoping Study process flowsheet assumption that direct SX and ADU precipitation is the best option.

Other PFS Testwork and Activities

Other key work programs completed to date include:

- Waste characterisation testwork results have shown the properties of the three types of mining waste to be consistent with those of previous evaluations. Mining waste has been characterised and classified as follows:
  - Oxide waste ('inert waste') - an inert waste that can be handled as a typical mining waste
  - Acid Rock Drainage ('ARD') - potential acid generator due to a marginal sulphide content
  - Natural Occurring Radioactive Materials ('NORM') - rock containing very low residual uranium below the mining cut-off grade
- Geotechnical testwork has been conducted on drill core from the Retortillo deposit and from the proposed sites of key infrastructure e.g. heap leach pads, waste dumps, at both Retortillo and Alameda. The testwork results have been reviewed by SRK Consulting and their recommendations incorporated into the open pit designs (slope angles etc.). The testwork results have been also been reviewed by SENET who have determined the proposed infrastructure sites to be suitable.

- Hydrogeological models have been updated with new information relating to dewatering of the open pits. The operational water balance has subsequently been updated and highlighted a net reduction in the volume of water required to be sourced from local water courses at Retortillo. The modelling confirmed that no water is required to be sourced from local water courses at Alameda.
- Engineering and design activities, including the project site layout assessment have been completed. Taking into account the column stacking testwork results and the requirements of the ripios backfilling schedule, the final heap leach pad designs comprise two, six metre lifts at both Retortillo and Alameda.

Capital and operating costs, to a level of accuracy of nominally +/- 20%, are currently being estimated. The capital costs are based on engineering designs and quoted prices from suppliers and local construction companies. The operating costs are being developed in conjunction with the project design criteria, process flow sheets, mass balance, mechanical and electrical equipment lists and in-country labour cost data. The operating cost estimates include quoted unit rates based on proposals from local and international suppliers for mining activities, consumables, energy, reagents and other major items.

Scoping Study - Gambuta

The Gambuta deposit is located approximately 145 kilometres to the southeast of Retortillo. During June 2012, an additional 16 RC drill holes for approximately 1,200 metres and three DD holes for 270 metres were completed as part of an infill program focussed on the north-western portion of the deposit.

Assay results returned from the drilling confirmed the continuity of thick zones of high grade mineralisation at shallow depths, slightly extended the mineralisation on the northern and southern boundaries, and included thicker intersections than recorded in the previous drilling. Select intercepts from the drilling program included:

Hole No.	***Down Hole Intercept***	***From Depth (Down Hole)***
GMR-045	*8m @ 649 ppm U_3O_8*	*50m*
	3m @ 3,083 ppm U_3O_8	*85m*
GMR-048	*7m @ 666 ppm U_3O_8*	*34m*
GMR-049	*7m @ 672 ppm U_3O_8*	*36m*
GMR-056	*11m @ 1,428 ppm U_3O_8*	*12m*
	22m @ 1,319 ppm U_3O_8	*32m*
GMR-058	*5m @ 905 ppm U_3O_8*	*23m*
GMR-059	*8m @ 835 ppm U_3O_8*	*21m*
GMR-060	*4m @ 1,126 ppm U_3O_8*	*43m*

A revised Inferred MRE of 12.7 million tonnes at 394 ppm U_3O_8 for a total of 11.1 million pounds of U_3O_8 at a 200 ppm U_3O_8 cut-off grade was subsequently reported in September 2012 (refer September 2012 Quarterly Report). This represented a 20% increase in contained uranium compared to the prior MRE (9.2 million pounds U_3O_8).

The Inferred MRE formed the basis of a Desktop Study completed in late 2012 which showed the geometry, average thickness and depth of the mineralisation make it amenable to shallow open pit mining with a low ore to waste strip ratio.

Following the positive results of the Desktop Study, the Company has advanced the evaluation of the deposit to the Scoping Study stage. The conceptual approach is based on open pit mining, heap leaching, and a remote IX operation, with the loaded resin being trucked to the proposed centralised plant at Retortillo for final extraction and purification.

The scope of work includes initial metallurgical testwork on a 330 kilogram representative sample, comprising bond crushability and bond abrasion tests, diagnostic leach tests, mineralogy, and column leach tests at various crush sizes. The testwork program is being conducted at the Mintek laboratories in Johannesburg.

A geotechnical evaluation which includes relogging of drill core, preliminary open pit optimisation and mine design, preliminary heap leach pad design, and a site layout and infrastructure assessment is also underway.

OPERATING AND FINANCIAL REVIEW (Continued)

Permitting

The permitting processes for Retortillo, Alameda and Gambuta were advanced during the year.

At Retortillo, a 30 day Public Information Period ('PIP') was completed in September 2012. Core documents submitted as part of the public information process included the Exploitation Plan, Reclamation and Closure Plan, Environmental and Social Impact Assessment ('EIA'), Initial Authorisation of the Process Plant as a Radioactive Facility, and Exceptional Authorisation for Land Use (application for reclassification from rural to mining use). The Company prepared responses to public comments received and, following review and evaluation by the relevant authorities, additional mitigation measures were incorporated into the core documents and the Project raised for mining and environmental approval.

A favourable recommendation report has been provided by the Environmental Technical and Executive Committees of the Regional Government following their review of the Company's EIA and associated documentation. The administrative process relating to the Declaration of Environmental Impact (Environmental Licence) is now in its final stages, with only the formal approval of the Minister of Environment of the Regional Government and subsequent release in the Official Gazette pending. The Declaration of Environmental Impact, along with the compulsory recommendation report from the Nuclear Safety Council ('NSC') and the approval of Company's Exploitation and Reclamation and Closure Plans, are prerequisites for the granting of the Exploitation Concession (Mining Licence).

Following its review of the Company's plans for exploitation, reclamation and closure, the NSC submitted a favourable recommendation report regarding the granting of the Exploitation Concession to the Ministry of Economy and Employment of the Regional Government in August 2013.

Regarding the Initial Authorisation of the process plant as a radioactive facility, the NSC has communicated that its recommendation report will be will be issued to the Ministry of Industry, Commerce and Tourism of the Central Government, once the Exploitation Concession has been granted.

The Exceptional Authorisation for Land Use (application for reclassification from rural to industrial use) of the affected surface land area at Retortillo has been approved by the relevant authorities at the Urban and Town Planning Department of Salamanca, subject to the issuance of the Environmental Licence.

Ancillary permits, such as those associated with water capture and discharge and road deviations, are also currently being advanced. The applications have been submitted and discussions have been held with the relevant authorities (including the Water Authority and Roads Department).

The permitting process for Alameda commenced late in 2012 with the submission to the regulatory authorities of the Environmental Scoping Document and documentation associated with the Exceptional Authorisation for Land Use.

The documents required for the next phase of permitting at Alameda, including the Exploitation Plan, Reclamation and Closure Plans, and the EIA will be submitted following completion of the PFS.

The permitting process for Gambuta has recently commenced with the submission to the regulatory authorities of the Environmental Scoping Document.

Exploration

Zona 7

A comprehensive review of all available data for the tenements surrounding the Company's existing resources, undertaken in early 2013, identified the potential extension of Zona 7 to the southwest as a priority drill target.

Zona 7 is the largest of the Retortillo Satellite Deposits and currently hosts an Inferred MRE of 3.9 million tonnes averaging 414 ppm U_3O_8 for a contained 3.6 million pounds of U_3O_8 at a 200 ppm U_3O_8 cut-off grade (refer ASX June 2012 Quarterly Report). It is located within 10 kilometres of the proposed location of the centralised processing plant at Retortillo.

Assay results returned from 18 RC drill holes, totalling approximately 1,130 metres, have confirmed that the Zona 7 mineralisation extends a further 1,200 metres to the southwest of the current resource area. The drilling essentially doubled the strike extent of the mineralised zone and it remains open. Significant high grade intersections have been recorded at shallow depths (from 9 metres to a maximum depth of 84 metres), with thicknesses up to 29 metres. Select intercepts include:

Hole No.	***Down Hole Intercept***	***From Depth (Down Hole)***
Z7R-084	*29m @ 3,391 ppm U_3O_8*	*9m*
Z7R-088	*17m @ 1,260 ppm U_3O_8*	*37m*
Z7R-089	*4m @ 2,365 ppm U_3O_8* *15m @ 1,392 ppm U_3O_8* *2m @ 2,759 ppm U_3O_8*	*39m* *63m* *82m*
Z7R-087	*25m @ 683 ppm U_3O_8*	*27m*
Z7R-090	*13m @ 1,161 ppm U_3O_8*	*17m*
Z7R-085	*16m @ 764 ppm U_3O_8*	*33m*

The delineation of this zone of shallow, high grade mineralisation extending well beyond the current resource boundary at Zona 7 is a clear demonstration of the exploration and resource growth potential of the Salamanca Project.

The data from the drilling program will now form the basis for an updated MRE for Zona 7 which is anticipated to be completed in the coming months.

A summary of all resource and exploration drilling completed by Berkeley during the year is presented in the following table.

Table 2: 2012/2013 Drilling Summary

	Diamond		**RC**		**Total**	
	Holes	**Metres**	**Holes**	**Metres**	**Holes**	**Metres**
Retortillo	24	1,115	67	4,382	91	5,497
Alameda	19	916	-	-	19	916
Zona 7	-	-	18	1,133	18	1,133
Total	***43***	***2,031***	***85***	***5,515***	***128***	***7,546***

OPERATING AND FINANCIAL REVIEW (Continued)

Corporate

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

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

In April 2013, Shareholders approved Berkeley's Performance Rights Plan. The Plan is designed to reward superior performance based on materially improved Company performance in terms of growth in the value of the Company and resulting increases in Shareholder value. The Plan is intended to replace the existing Employee Share Option Plan which was most recently approved by Shareholders in September 2011. Following approval of the Plan, 4.67 million Performance Share Rights were issued on 3 May 2013.

On 15 May 2013, 11.89 million Listed Options expired unexercised.

In July 2012, Berkeley reached agreement with Enusa Industrias Avanzadas S.A. ('ENUSA') on terms which provide the Company with a 100% interest in select uranium resources within State Reserves held by ENUSA.

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

Results of Operations

The Consolidated Entity's net loss after tax for the year ended 30 June 2013 was $11,189,077 (2012: $13,487,535). This loss is partly attributable to:

(i) Exploration and evaluation expenses of $11,999,142 (2012: $14,531,985), which is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure incurred subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies for each separate area of interest.

The reduction in exploration and evaluation expenditure in the year ended 30 June 2013 is a reflection of the activities undertaken during the year, including the internal management of the initial assessment of the integrated development of Retortillo and Alameda (with the results of the Scoping Study reported in November 2012), and an ongoing focus on costs control across all areas of the business.

(ii) Share based payments expense of $417,918 (2012: $497,111) was recognised in respect of incentive securities granted to directors, employees and key consultants. The Company expenses the incentive securities over the vesting period.

The Consolidated Entity also recognised interest income of $1,509,713 (2012: $2,448,221), and a rebate of $737,198 (2012: $153, 635) was received in respect of R&D activities undertaken in Australia.

Financial Position

At 30 June 2013, the Group had cash reserves of A$27.7 million, with no debt. This puts the Group in a strong financial position as it looks to complete the PFS and progress the development of the Salamanca Project.

The Group had net assets of $42,136,600 at 30 June 2013 (2012: 51,590,772), a decrease of $9,454,172 or approximately 22% compared with the previous year. This decrease is consistent with the reduced cash balance and is largely attributable to the comprehensive loss for the year, comprising: (i) the current year's net loss after income tax, and (ii) the foreign exchange gain arising on the translation of the Group's foreign operations.

The increase in the Exploration expenditure asset from $13,011,723 at 30 June 2012 to $14,173,930 is attributed to the devaluation of the Australian dollar (AUD) against the Euro, with approximately $8.53 million (€6 million) of the Exploration asset denominated in Euro and revalued in AUD at each balance date.

The increase in trade creditors from $987,812 at 30 June 2012 to $2,172,953 is a reflection of the increased activity at the end of 2013 as the Company moved towards completion of the PFS.

Business Strategies and Prospects for Future Financial Years

Berkeley's strategic objective is to create long-term shareholder value by becoming a uranium producer in the near to medium term, through the ongoing exploration, appraisal and development of its flagship Salamanca Project located in Spain.

The Company has a 100% interest in a total Mineral Resource estimated at 61.0 million pounds of contained U_3O_8 (64.4 million tonnes at 430 ppm U_3O_8 at a cut-off grade of 200 ppm U_3O_8) but has not to date defined Ore Reserves in accordance with the JORC Code (2004), nor has it commenced production. To achieve its strategic objective, the Company currently has the following business strategies and prospects over the medium term:

- Completion of a PFS for the Salamanca Project, scheduled for completion in September 2013;
- Subject to the results of the PFS, conduct a Definitive Feasibility Study ('DFS') for the Salamanca Project, scheduled for completion by the end of 2014;
- Commence evaluation of project finance options;
- Continue the permitting process with a view to obtaining all necessary permits and licences for construction and production in a timely fashion;
- Subject to the results of a positive DFS, obtaining all necessary permits and licences and project financing, advance the Salamanca Project through the development and construction phases and into production;
- Continue to explore its portfolio of tenements in Spain with a view to growing the resource base and potentially providing additional production sources to incorporate into the Salamanca Project; and
- Continue to assess new uranium and other business opportunities which can enhance shareholder value.

As with any other mining project, 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. The material business risks faced by the Company that are likely to have an effect on the Company's future prospects, and how the Company manages these risks, include:

- The exploration for, and development of, mineral deposits involves a high degree of risk. The ultimate development of the Company's project into a producing mine is dependent on a number of factors, including; successful studies, obtaining all necessary permits and licences, and subsequently the required project financing.

  To mitigate this risk, the Company has undertaken systematic and staged exploration and testing programs, and a number of technical and economic studies with respect to the Salamanca Project. Further studies, including a DFS, will also be completed prior to advancing the Salamanca Project to the construction phase and into production.

  The construction phase of the Company's Project will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of any development of the Project. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

  The successful development of the Company's Project will also be dependent on the granting of a mining licence and other permits necessary for the construction and production phases. As with any exploration and development project, there is no guarantee that the Company will be successful in applying for and maintaining all required permits and licences to commence construction and subsequently enter into production.

- The Company may be adversely affected by fluctuations in commodity prices. The price of uranium fluctuates widely and is affected by numerous factors beyond the control of the Company. Future production from the Company's Project will be dependent upon the price of uranium being adequate to make these properties economic. The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk, but as the Company's Project advances, this policy will be reviewed periodically;
- Global financial conditions may adversely affect the Company's growth and profitability. Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and energy markets, and a lack of market liquidity. A slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities.

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 24 July 2012, the Company advised that it had reached agreement with ENUSA on terms which provided the Company with a 100% interest in select uranium resources within State Reserves held by ENUSA. The agreement successfully resolved long standing difficulties for all parties involved, including termination of the arbitration proceeding between the Company and ENUSA.
- Mr Matthew Syme resigned as a Non-Executive Director of the Company on 2 August 2012.
- On 9 November 2012, the Company issued 750,000 $0.475 Incentive Options to a key employee of the Company. The Options expire on 22 December 2015 and 375,000 vest on 12 December 2013 and 375,000 vest on 12 December 2014.
- On 29 November 2012, the Company released the results of a Scoping Study for the integrated development of the Retortillo and Alameda deposits, which demonstrated the potential of the Salamanca Project to support the significant scale, long life uranium mining operation.
- Señor Jose Ramon Esteruelas resigned as a Non-Executive Director of the Company on 29 November 2012.
- In April 2013, Shareholders approved Berkeley's Performance Rights Plan. Following the approval of the Plan, 4.67 million Performance Rights were issued on 3 May 2013.
- On 15 May 2013, 11.89 million Listed Options expired unexercised.

SIGNIFICANT POST BALANCE DATE EVENTS

As at the date of this report there are no matters or circumstances, which have arisen since 30 June 2013 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2013, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2013, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2013, 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.

In September 2012, Berkeley qualified for certification in accordance with ISO 14001 of Environmental Management, which sets out the criteria for an environmental management system, and UNE 22480 of Sustainable Mining Management, which allows for the systematic monitoring and tracking of sustainability indicators, and is useful in the establishment of targets for constant improvement.

INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF BERKELEY

	Interest in Securities at the Date of this Report		
Current Directors	**Ordinary Shares[(i)]**	**$0.45 Unlisted Options[(ii)]**	**Performance Rights[(iii)]**
Ian Middlemas	5,300,000	4,000,000	-
James Ross	315,000	-	400,000
Robert Behets	1,000,000	1,000,000	960,000

Current Directors	Interest in Securities issued during the year		
	Ordinary Shares[(i)]	$0.45 Unlisted Options[(ii)]	Performance Rights[(iii)]
Ian Middlemas	-	-	-
James Ross	-	-	400,000
Robert Behets	-	-	960,000

Notes

(i) "Ordinary Shares" means fully paid ordinary shares in the capital of the Company.

(ii) "$0.45 Unlisted Options" means an option to subscribe for 1 Ordinary Share in the capital of the Company at an exercise price of $0.45 each on or before 30 June 2016.

(iii) "Performance Rights" means the right to subscribe to 1 Ordinary Share in the capital of the Company upon the completion of specific performance milestones by the Company.

SHARE OPTIONS AND PERFORMANCE RIGHTS

At the date of this report the following Options and Performance Rights have been issued over unissued Ordinary Shares of the Company:

- 1,000,000 Unlisted Options at an exercise price of $1.25 each that expire on 1 December 2013.
- 1,861,666 Unlisted Options at an exercise price of $1.35 each that expire on 18 June 2014.
- 1,000,000 Unlisted Options at an exercise price $0.41 each that expire on 21 September 2015.
- 1,750,000 Unlisted Options at an exercise price of $0.475 each that expire on 22 December 2015.
- 5,500,000 Unlisted Options at an exercise price of $0.45 each that expire on 30 June 2016.
- 968,000 Performance Rights at no exercise price that expire on 30 June 2014.
- 968,000 Performance Rights at no exercise price that expire on 30 June 2015.
- 1,318,000 Performance Rights at no exercise price that expire on 31 December 2016.
- 1,418,000 Performance Rights at no exercise price that expire on 31 December 2017.

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 95,050 new shares issued as a result of the exercise of Listed Options. There were 396,667 Unlisted Options that lapsed (forfeited) and 11,894,378 Listed Options that expired during the year. Since 30 June 2013, there have been no shares issued as a result of the exercise of Listed Options and no new shares issued as a result of the exercise of Unlisted Options on issue.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2013, and the number of meetings attended by each director.

	Board Meetings Number Eligible to Attend	Board Meetings Number Attended
Current Directors		
Ian Middlemas	4	4
James Ross	4	2
Robert Behets	4	4
Former Directors		
Matthew Syme	-	-
Jose Ramon Esteruelas	2	2

REMUNERATION REPORT (AUDITED)

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 ("KMP") of the Group during or since the end of the financial year were as follows:

Directors

Mr Ian Middlemas	Non-Executive Chairman
Dr James Ross	Non-Executive Deputy Chairman
Mr Robert Behets	Non-Executive Director
Señor Jose Ramon Esteruelas	Non-Executive Director (resigned 29 November 2012)
Mr Matthew Syme	Non-Executive Director (resigned 2 August 2012)

Other KMP

Mr Francisco Bellón del Rosal	General Manager Operations
Mr Javier Colilla Peletero	Senior Vice President Corporate
Mr Clint McGhie	Chief Financial Officer and Company Secretary

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 2012 until the date of this report.

Remuneration Policy

The remuneration policy for the Group's KMP 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 and development activities with a view to expanding and developing its resources. In line with the Group's accounting policy, all exploration expenditure up to and including the preparation of a definitive 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 KMP objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Non-cash benefits may include provision of motor vehicles, housing and health care benefits.

Fixed remuneration is reviewed annually by Board. The process consists of a review of Company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short Term Incentive

Some KMP are entitled to an annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as successful completion of exploration activities (e.g. completion of exploration programs within budgeted timeframes and costs), development activities (e.g. completion of feasibility studies), corporate activities (e.g. recruitment of key personnel) and business development activities (e.g. project acquisitions and capital raisings). 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 KMP.

During the 2013 financial year, a total bonus sum of $50,326 was paid to KMP.

Performance Based Remuneration – Long Term Incentive

The Group has adopted a long-term incentive plan ("LTIP") comprising the "Berkeley Performance Rights Plan" (the "Plan") to reward KMP and key employees for long-term performance. Shareholders approved the Plan in April 2013 at a General Meeting of Shareholders and Performance Rights were issued under the Plan in May 2013.

The Plan provides for the issuance of unlisted performance share rights ("Performance Rights") which, upon satisfaction of the relevant performance conditions attached to the Performance Rights, will result in the issue of an Ordinary Share for each Performance Right. Performance Rights are issued for no consideration and no amount is payable upon conversion thereof.

To achieve its corporate objectives, the Company needs to attract and retain its key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the Plan will:

(a) enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;

(b) enable the Company to recruit, incentivise and retain additional key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;

(c) link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;

(d) align the financial interest of participants of the Plan with those of Shareholders; and

(e) provide incentives to participants of the Plan to focus on superior performance that creates Shareholder value.

Performance Rights granted under the Plan to eligible participants will be linked to the achievement by the Company of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

During the financial year, Performance Rights with various expiry dates ranging from 30 June 2014 to 31 December 2017 were granted to certain KMP and other employees that vest upon various performance conditions set by the Company.

Prior to the adoption of the Plan, the Board had chosen to issue incentive options to KMP as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the KMP and to provide an incentive linked to the performance of the Company.

The Board had a policy of granting options to KMP with exercise prices at and/or above market share price (at time of agreement). As such, incentive options granted to KMP would generally only be of benefit if the KMP performed 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 were no additional performance criteria on the incentive options granted to KMP, 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 KMP and the performance and value of the Company are closely related.

REMUNERATION REPORT (AUDITED) (Continued)

Remuneration Policy (Continued)

Impact of Shareholder Wealth on Key Management Personnel Remuneration

During the Group's exploration and development phases of its business, the Board anticipates that the Company 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 returns of capital. Therefore there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Board does not directly base remuneration levels on the Company's share price or movement in the share price over the financial year and the previous four financial years. Discretionary annual cash bonuses are based upon achieving various non-financial KPI as detailed under 'Performance Based Remuneration – Short Term Incentive' and are not based on share price or earnings. As noted above, a number of Key Management Personnel have also been granted Performance Rights and options, which generally will be of greater value should the value of the Company's shares increase (subject to vesting conditions being met), and in the case of options, increase sufficiently to warrant exercising the incentive options granted.

Impact of Earnings on Key Management Personnel Remuneration

As discussed above, the Group is currently undertaking exploration and development 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 earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

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 Performance Rights and incentive options in order to secure their services and as a key component of their remuneration.

General

Where required, KMP receive superannuation contributions (or foreign equivalent), currently equal to 9% of their salary (increased to 9.25% from 1 July 2013), 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 KMP is valued at cost to the company and expensed. Incentive options are valued using the Binomial option valuation methodology and validated by the Black Scholes option pricing model. The value of these incentive options is expensed over the vesting period. The fair value of the Performance Rights granted is estimated as at the date of grant using the seven day volume weighted average share price prior to issuance. The value of the Performance Right is expensed over the vesting period.

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:

2013	Salary & Fees $	Post Employ-ment Benefits $	Share-Based Payments $	Other Non-Cash Benefits[5] $	Total $	Percentage of Total Remunerat-ion that Consists of Options/ Rights %	Percent-age Perform ance Related %
Directors							
Ian Middlemas	100,000	-	-	-	100,000	-	-
James Ross	50,000	-	17,423	-	67,423	25.84	25.84
Robert Behets[1]	206,600	-	41,816	-	248,416	16.86	16.86
Jose Ramon Esteruelas[2]	24,726	-	-	-	24,726	-	-
Matthew Syme[3]	4,484	-	-	-	4,484	-	-
Other KMP							
Francisco Bellón del Rosal	275,421	15,601	94,877	21,710	407,609	23.28	23.28
Javier Colilla Peletero	259,713	13,851	113,991	10,404	397,959	28.64	28.64
Clint McGhie[4]	-	-	31,362	-	31,362	100.00	100.00
Total	**920,944**	**29,452**	**299,469**	**32,114**	**1,281,979**		

Notes

(1) Mr Behets received Directors fees of $50,000 and consulting fees of $156,600 for additional services provided to the company;

(2) Mr Esteruelas resigned as a Non-Executive Director of the Company on 29 November 2012;

(3) Mr Syme resigned as a Non-Executive Director of the Company on 2 August 2012;

(4) Mr McGhie provides services as the Company Secretary and Chief Financial Officer through a services agreement between Berkeley 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 $24,000 (2012: $24,000); and

(5) Other Non-Cash Benefits includes payments made for housing, car-parking and insurance premiums on behalf of the KMP, including Directors & Officers insurance.

REMUNERATION REPORT (AUDITED) (Continued)

Key Management Personnel Remuneration (Continued)

2012	Salary & Fees $	Post Employ-ment Benefits $	Share-Based Payments $	Other Non-Cash Benefits[11] $	Total $	Percentage of Total Remunerat-ion that Consists of Options/ Rights %	Percentage Performance Related %
Directors							
Ian Middlemas[1]	17,857	-	-	-	17,857	-	-
James Ross	134,267	-	-	-	134,267	-	-
Robert Behets[2]	29,329	-	-	-	29,329	-	-
Jose Ramon Esteruelas	70,002	-	-	-	70,002	-	-
Matthew Syme[3]	50,000	-	-	-	50,000	-	-
Laurence Marsland[4]	38,402	-	-	-	38,402	-	-
Brendan James[5]	267,320	7,851	-	63,719	338,890	-	-
Henry Horne[6]	25,000	-	-	-	25,000	-	-
Ian Stalker[7]	24,625	-	-	-	24,625	-	-
Other KMP							
Francisco Bellón del Rosal	245,751	15,638	95,166	15,160	371,715	25.60	-
Javier Colilla Peletero	246,611	15,402	150,377	-	412,390	36.46	-
Clint McGhie[8]	-	-	-	-	-	-	-
Sam Middlemas[9]	176,200	-	-	-	176,200	-	-
Steven Turner[10]	184,410	16,521	101,000	-	301,931	33.45	
Total	**1,509,774**	**55,412**	**346,543**	**78,879**	**1,990,608**	**17.41**	**-**

Notes

(1) Mr Ian Middlemas was appointed a Non-Executive Director and Chairman of the Company on 27 April 2012;
(2) Mr Behets was appointed a Non-Executive Director of the Company on 27 April 2012;
(3) Mr Syme resigned as a Non-Executive Director of the Company on 2 August 2012;
(4) Mr Marsland was appointed as a Non-Executive Director on 25 August 2011 and resigned on 9 May 2012;
(5) Mr James resigned as Managing Director of the Company on 27 April 2012 (2,000,000 incentive options issued on 23 September 2011 were cancelled at this time as they had not vested);
(6) Mr Horne resigned as a Non-Executive Director of the Company on 1 January 2012;
(7) Mr Stalker resigned as a Non-Executive Director of the Company on 29 November 2011;
(8) Mr McGhie was appointed Company Secretary and Chief Financial Officer of the Company on 18 May 2012. Mr McGhie provides services as the Company Secretary and Chief Financial Officer through a services agreement between Berkeley 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 $24,000;
(9) Mr Sam Middlemas resigned as Company Secretary on 18 May 2012;
(10) Mr Turner was appointed Chief Financial Officer of the Company on 12 December 2012 and resigned on 27 April 2012 (1,500,000 incentive options were issued on 11 April 2012, of which 1,000,000 were forfeited on resignation; and
(11) Other Non-Cash Benefits includes payments made for housing, car-parking and insurance premiums on behalf of the KMP, including Directors & Officers insurance, and in some instances, working directors insurance.

Options and Performance Rights Granted to KMP

Details of Unlisted Options and Performance Rights granted by the Company to each Key Management Personnel of the Group during the financial year are as follows:

2013	Options / Rights(1)	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $	No. Granted	Total Value of Options/ Rights Granted $	No. Vested
Directors								
James Ross	Rights	12-Apr-13	30-Jun-14	-	0.309	100,000	30,900	-
James Ross	Rights	12-Apr-13	30-Jun-15	-	0.309	100,000	30,900	-
James Ross	Rights	12-Apr-13	31-Dec-16	-	0.309	100,000	30,900	-
James Ross	Rights	12-Apr-13	31-Dec-17	-	0.309	100,000	30,900	-
Robert Behets	Rights	12-Apr-13	30-Jun-14	-	0.309	240,000	74,160	-
Robert Behets	Rights	12-Apr-13	30-Jun-15	-	0.309	240,000	74,160	-
Robert Behets	Rights	12-Apr-13	31-Dec-16	-	0.309	240,000	74,160	-
Robert Behets	Rights	12-Apr-13	31-Dec-17	-	0.309	240,000	74,160	-
Other KMP								
Francisco Bellón del Rosal	Rights	12-Apr-13	30-Jun-14	-	0.309	100,000	30,900	-
Francisco Bellón del Rosal	Rights	12-Apr-13	30-Jun-15	-	0.309	100,000	30,900	-
Francisco Bellón del Rosal	Rights	12-Apr-13	31-Dec-16	-	0.309	200,000	61,800	-
Francisco Bellón del Rosal	Rights	12-Apr-13	31-Dec-17	-	0.309	250,000	77,250	-
Javier Colilla Peletero	Options	9-Nov-12	22-Dec-15	0.475	0.210	750,000	157,500	-
Javier Colilla Peletero	Rights	12-Apr-13	30-Jun-14	-	0.309	100,000	30,900	-
Javier Colilla Peletero	Rights	12-Apr-13	30-Jun-15	-	0.309	100,000	30,900	-
Javier Colilla Peletero	Rights	12-Apr-13	31-Dec-16	-	0.309	200,000	61,800	-
Javier Colilla Peletero	Rights	12-Apr-13	31-Dec-17	-	0.309	250,000	77,250	-
Clint McGhie	Rights	12-Apr-13	30-Jun-14	-	0.309	180,000	55,620	-
Clint McGhie	Rights	12-Apr-13	30-Jun-15	-	0.309	180,000	55,620	-
Clint McGhie	Rights	12-Apr-13	31-Dec-16	-	0.309	180,000	55,620	-
Clint McGhie	Rights	12-Apr-13	31-Dec-17	-	0.309	180,000	55,620	-

Notes

(1) For details on the valuation of the Unlisted Options and Performance Rights, including models and assumptions used, please refer to Note 18 to the financial statements.

REMUNERATION REPORT (AUDITED) (Continued)

Options and Performance Rights Granted to KMP (Continued)

2012	Options/ Rights[1]	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $	No. Granted[2]	Total Value of Options Granted $	No. Vested
Directors								
Brendan James	Options	23-Sep-11	1-May-16	0.41	0.216	2,000,000[3]	432,000	-
Other KMP								
Francisco Bellón del Rosal	Options	23-Sep-11	21-Sep-15	0.41	0.203	1,000,000	203,000	333,333
Steven Turner	Options	12-Mar-12	22-Dec-15	0.475	0.202	1,500,000[4]	303,000	500,000

Notes

(1) For details on the valuation of the options, including models and assumptions used, please refer to Note 18 to the financial statements;
(2) Each unlisted option converts into one Ordinary Share of Berkeley Resources Limited;
(3) All of the options granted to Mr James were forfeited upon his resignation; and
(4) 1,000,000 of the options granted to Mr Turner were forfeited upon his resignation. The Board agreed to allow Mr Turner to retain 500,000 options.

Details of the value of options and rights granted, exercised or lapsed for each Key Management Person of the Company or Group during the financial year are as follows:

2013	Value of options/ rights granted during the year[1] $	Value of options/ rights exercised during the year $	Value of options/ rights lapsed during the year $	Value of options/ rights included in remuneration for the year $	Percentage of remuneration that consists of options/ rights %
Directors					
James Ross	123,600	-	-[2]	17,423	25.84
Robert Behets	296,640	-	-	41,816	16.86
Jose Ramon Esteruelas[3]	-	-	-[2]	-	-
Matthew Syme[4]	-	-	-[5]	-	-
Other KMP					
Francisco Bellón del Rosal	200,850	-	-	94,877	23.28
Javier Colilla Peletero	358,350	-	-	113,991	28.64
Clint McGhie	222,480	-	-	31,362	100.00

Notes

(1) For details on the valuation of the options and rights, including models and assumptions used, please refer to Note 18 to the financial statements;
(2) 250,000 Listed Options exercisable at $0.75 expired on 15 May 2013;
(3) Señor Esteruelas resigned as a Non-Executive Director of the Company on 29 November 2012;
(4) Mr Syme resigned as a Non-Executive Director of the Company on 2 August 2012; and
(5) 1,000,000 Listed Options exercised at $0.75 expired on 15 May 2013.

2012	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Value of options included in remuneration for the year $	Percentage of remuneration that consists of options %
Directors					
Brendan James	432,000	-	(517,340)	-	-
Other KMP					
Francisco Bellón del Rosal	203,000	-	-	95,166	25.60
Steven Turner	303,000	-	(237,120)	101,000	33.45

Employment Contracts with Directors and Executive Officers

Current Directors

Dr James Ross, Non Executive Director has a letter of engagement with Berkeley Resources Limited that was last updated on 15 January 2011 when he was appointed Chairman. Following the appointment of Mr Ian Middlemas as Chairman on 27 April 2012, Dr Ross became the Deputy Chairman of the Company. From 27 April 2012, Dr Ross receives a fixed remuneration component of $50,000 per annum inclusive of superannuation which is the standard fixed remuneration previously set by the Board for Non-Executive Directors.

For the period that Dr Ross was Chairman, he received a fixed remuneration component of $100,000 per annum inclusive of superannuation. The letter of engagement also includes a consultancy arrangement which provides for a consultancy fee at the rate of $1,200 per day for technical geological work done. The consultancy arrangement has a rolling term and may be terminated by the Company by giving 1 months notice.

From the date of his appointment, Mr Ian Middlemas received a fixed remuneration component of $100,000 per annum inclusive of superannuation which is the amount previously set by the Board for the position of Chairman. Effective from 1 July 2013, the fee for the Chairman has been reduced to $50,000 per annum inclusive of superannuation.

Mr Robert Behets has a services agreement with the Company dated 18 June 2012, which provides for a consultancy fee at the rate of $1,200 per day for management and technical services provided by Mr Behets. Either party may terminate the agreement without penalty or payment by giving 2 months notice. In addition, Mr Behets also receives the fixed remuneration component of $50,000 per annum inclusive of superannuation as previously set by the Board for Non-Executive Directors.

Former Directors

Mr Matthew Syme had a letter engagement dated 1 February 2010 relating to his appointment as a Non Executive Director. Mr Syme resigned as a Non Executive Director effective 2 August 2012. The letter specified the duties and obligations to be fulfilled as a Non Executive Director, and the remuneration was fixed at $50,000 per annum. The letter also included a consultancy arrangement which provided for a consultancy fee at the rate of $1,200 per day, on an as required basis. The consultancy arrangement had a rolling term and could be terminated by the Company by giving 1 months notice.

Señor Jose Ramon Esteruelas, Non Executive Director, was appointed a Director of the Company on 1 November 2006. Señor Esteruelas had a letter of employment with Berkeley Resources Limited dated 16 November 2006. Señor Esteruelas received a fixed remuneration component of €48,000 per annum. The letter also included a consultancy agreement which provided for a consultancy fee of €1,000 per day. The consultancy agreement had a rolling term and could be terminated by Señor Esteruelas or by the Company by giving 1 months notice. Señor Esteruelas resigned on 29 November 2012.

REMUNERATION REPORT (AUDITED) (Continued)

Employment Contracts with Directors and Executive Officers (Continued)

Current Executive

Mr Francisco Bellón, has a contract of employment dated 14 April 2011 and amended on 1 July 2011. The contract specifies the duties and obligations to be fulfilled by the General Manager Operations. The contract has a rolling term and may be terminated by the Company giving 6 months notice, or 12 months in the event of a change of control of the Company. No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Bellón receives a fixed remuneration component of €190,000 (increased from €140,000 effective 1 November 2011) per annum plus compulsory social security contributions regulated by Spanish law, as well as the provision of accommodation in Salamanca and a motor vehicle.

The Board granted Mr Bellón 1,000,000 Unlisted Options exercisable at $0.41 each on or before 21 September 2015 under the employee share option scheme. These Options vest in three equal tranches on 21 September 2012, 21 September 2013 and 21 September 2014.

Mr Bellón was also granted the following Performance Rights:

- 100,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2014;
- 100,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2015;
- 200,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2016; and
- 250,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2017.

All performance rights vest after the achievement of various milestones as approved in the Berkeley Resources Limited Employee Performance Rights Plan.

Mr Javier Colilla Peletero, has a contract of employment dated 1 July 2010. The contract specifies the duties and obligations to be fulfilled by the Senior Vice President Corporate. The contract has a rolling term and may be terminated by the Company giving 3 months notice, or 12 months in the event of a change of control of the Company or if the appointment becomes redundant. No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Colilla receives a fixed remuneration component of €190,000 (increased from €142,000 effective 1 November 2011) per annum plus compulsory social security contributions regulated by Spanish law, as well as an allowance for the use of his private motor vehicle.

The Board granted Mr Colilla 1,000,000 Unlisted Options exercisable at $1.35 each on or before 18 June 2014 under the employee share option scheme. These Options vest in three equal tranches on 18 June 2011, 18 June 2012 and 18 June 2013. Additionally, the Board granted Mr Colilla 750,000 Incentive Options exercisable at $0.475 each. These Options vest in two equal tranches on 12 December 2013 and 12 December 2014 and expire on 22 December 2015.

Mr Colilla was also granted the following Performance Rights:

- 100,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2014;
- 100,000 Performance Rights exercisable for Nil consideration each on or before 30 June 2015;
- 200,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2016; and
- 250,000 Performance Rights exercisable for Nil consideration each on or before 31 December 2017.

All Performance Rights vest after the achievement of various milestones as approved in the Berkeley Resources Limited Employee Performance Rights Plan.

Exercise of Options Granted as Remuneration

During the financial year ended 30 June 2013, there were no Options that were exercised by Key Management Personnel (2012: Nil).

End of Remuneration Report.

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 $18,098 (2012: $18,112). 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 73 of the Annual 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

ROBERT BEHETS
Non-Executive Director

20 September 2013

Competent Person Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Craig Gwatkin, who is a Member of The Australian Institute of Mining and Metallurgy and is a full-time 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 ('The JORC Code'). Mr. Gwatkin consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statement:

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Revenue from continuing operations	2	**2,246,911**	**2,610,300**
Administration costs		(975,298)	(1,000,845)
Exploration costs		(11,999,142)	(14,531,985)
Business development costs		-	(40,254)
Other share based payments expense	3	(417,918)	(497,111)
Loss on disposal of assets		-	(27,640)
Loss before income tax expense		**(11,145,447)**	**(13,487,535)**
Income tax expense	4	(43,630)	-
Loss after income tax expense		**(11,189,077)**	**(13,487,535)**
Other Comprehensive Income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		**-**	**-**
Items that may be classified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		1,185,200	(1,055,300)
Other Comprehensive Income/ (loss), net of income tax		**1,185,200**	**(1,055,300)**
Total Comprehensive Loss for the year		**(10,038,877)**	**(14,542,835)**
Loss attributable to Members of Berkeley Resources Limited		**(11,189,077)**	**(13,487,535)**
Total comprehensive loss attributable to Members of Berkeley Resources Limited		**(10,038,877)**	**(14,542,835)**
Earnings per share			
Basic loss per share from continuing operations (cents per share)		(6.21)	(7.70)
Diluted loss per share from continuing operations (cents per share)		(6.21)	(7.70)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

Berkeley Resources Ltd

	Note	2013 $	2012 $
ASSETS			
Current Assets			
Cash and cash equivalents	23(b)	27,736,790	37,716,585
Trade and other receivables	5	796,168	621,269
Prepaid expenditure	6	-	85,256
Total Current Assets		**28,532,958**	**38,423,110**
Non-current Assets			
Exploration expenditure	7	14,173,930	13,011,723
Property, plant and equipment	8	1,881,538	1,209,771
Other financial assets	9	70,450	100,504
Total Non-current Assets		**16,125,918**	**14,321,998**
TOTAL ASSETS		**44,658,876**	**52,745,108**
LIABILITIES			
Current Liabilities			
Trade and other payables	10	2,215,203	1,049,812
Income tax payable	4	43,630	-
Other financial liabilities	11	263,443	104,524
Total Current Liabilities		**2,522,276**	**1,154,336**
TOTAL LIABILITIES		**2,522,276**	**1,154,336**
NET ASSETS		**42,136,600**	**51,590,772**
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	12	119,061,813	118,930,526
Reserves	13	30,673	585,382
Accumulated losses	14	(76,955,886)	(67,925,136)
TOTAL EQUITY		**42,136,600**	**51,590,772**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Cash flows from operating activities			
Payments to suppliers and employees		(11,492,269)	(15,836,784)
Interest received		1,476,989	2,439,166
Rebates received		737,198	153,635
Net cash inflow/(outflow) from operating activities	23	**(9,278,083)**	**(13,243,983)**
Cash flows from investing activities			
Exploration acquisition costs		(36,489)	(92,797)
Security bond deposit		-	3,000
Proceeds from sale of property, plant and equipment		-	2,422
Payments for property, plant and equipment		(798,644)	(1,021,888)
Net cash inflow/(outflow) from investing activities		**(835,133)**	**(1,109,263)**
Cash flows from financing activities			
Proceeds from issue of shares and options		71,786	1,500,000
Transaction costs from issue of shares and options		-	(6,270)
Net cash inflow from financing activities		**71,786**	**1,493,730**
Net increase/(decrease) in cash and cash equivalents held		**(10,041,430)**	**(12,859,516)**
Cash and cash equivalents at the beginning of the financial year		**37,716,585**	**50,599,785**
Effects of exchange rate changes on cash and cash equivalents		**61,635**	**(23,684)**
Cash and cash equivalents at the end of the financial year	23	**27,736,790**	**37,716,585**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

Berkeley Resources Ltd

	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
As at 1 July 2012	**118,930,526**	**4,363,630**	**(3,778,248)**	**(67,925,136)**	**51,590,772**
Net loss for the year				(11,189,077)	(11,189,007)
Other Comprehensive Income:					
Exchange differences arising on translation of foreign operations	-	-	1,185,200	-	1,185,200
Total comprehensive loss	**-**	**-**	**1,185,200**	**(11,189,077)**	**(10,003,877)**
Transactions with owners, recorded directly in equity:					
Exercise of listed options	71,287	-	-	-	71,287
Reversal of share issue costs	60,000	-	-	-	60,000
Issue of options	-	500	-	-	500
Adjustment for expired options	-	(2,158,327)	-	2,158,327	-
Cost of share based payments	-	417,918	-	-	417,918
As at 30 June 2013	**119,061,813**	**2,623,721**	**(2,593,048)**	**(76,955,886)**	**42,136,600**

	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
As at 1 July 2011	**117,624,295**	**6,194,728**	**(2,722,948)**	**(56,893,310)**	**64,202,765**
Net loss for the year	-	-	-	(13,487,535)	(13,487,535)
Other Comprehensive Income:					
Exchange differences arising on translation of foreign operations	-	-	(1,055,300)	-	(1,055,300)
Total comprehensive loss	-	-	(1,055,300)	(13,487,535)	(14,542,835)
Transactions with owners, recorded directly in equity:					
Issue of shares	1,500,000	-	-	-	1,500,000
Share issue costs	(193,769)	127,500	-	-	(66,269)
Adjustment for expired options	-	(2,455,709)	-	2,455,709	-
Cost of share based payments	-	497,111	-	-	497,111
As at 30 June 2012	**118,930,526**	**4,363,630**	**(3,778,248)**	**(67,925,136)**	**51,590,772**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of Berkeley Resources Limited ("Berkeley" or "Company" or "Parent") and its consolidated entities ("Consolidated Entity" or "Group") for the year ended 30 June 2013 are stated to assist in a general understanding of the financial report.

Berkeley is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange, and the Alternative Investment Market (AIM) on the London Stock Exchange.

The financial report of the Company for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors.

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for profit entity.

The financial report has also been prepared on a historical cost basis, except for available-for-sale investments and other financial assets, which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of Compliance

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. These new accounting standards have not had any significant impact on the Group's financial report. Further details of these new accounting standards are set out in the individual accounting policy notes below.

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 2013. These are outlined in the table below:

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: a. The change attributable to changes in credit risk are presented in other comprehensive income (OCI) b. The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Statement of Compliance (Continued)

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly- controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliable measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset". The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate. Consequential amendments were also made to other standards via AASB 2011-12	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of the effect or potential effect of netting arrangements. This includes rights of set-off associated with the entity's recognised financial assets and liabilities on the entity's financial position, when offsetting the criteria of AASB 132 are not all met.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Statement of Compliance (Continued)

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following: • Repeat application of AASB 1 is permitted (AASB 1) • Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
AASB 2012-9	Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	AASB 2012-9 amends AASB 1048 *Interpretation of Standards* to evidence the withdrawal of Australian Interpretation 1039 *Substantive Enactment of Major Tax Bills in Australia.*	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to *Remove Individual Key Management Personnel Disclosure Requirements* [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
AASB 2013-3	Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	AASB 2013-3 makes amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. In addition, a further requirement has been included to disclose the discount rates that have been used in the current and previous measurements if the recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique. The intention of this amendment is to harmonise the disclosure requirements for fair value less costs of disposal and value in use when present value techniques are used to measure the recoverable amount of impaired assets.	1 January 2014	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2014

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 1053	*Application of Tiers of Australian Accounting Standards*	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements: a) Tier 1: Australian Accounting Standards b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: a) For-profit entities in the private sector that have public accountability (as defined in this standard) b) The Australian Government and State, Territory and Local governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: a) For-profit private sector entities that do not have public accountability b) All not-for-profit private sector entities c) Public sector entities other than the Australian Government and State, Territory and Local governments. Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-6, 2011-11, 2012-7 and 2012-11.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
AASB 2012-3	Amendments to Australian Accounting Standards – *Offsetting Financial Assets and Financial Liabilities*	AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2014

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Berkeley Resources Limited at reporting date. A controlled entity is any entity over which Berkeley Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Principles of Consolidation (Continued)

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interest's interest in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

d) Business Combinations

The purchase method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The cost of a business combination is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of the business combination over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(e) Operating Segments

The Consolidated Entity adopted AASB 8 *Operating Segments* with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

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

The Consolidated Entity's corporate headquarters in Australia have previously been reported in the Australian geographical segment, however, the corporate and administrative functions based in Australia are considered incidental to Consolidated Entity's uranium exploration activities in Spain.

(f) Significant Accounting Judgements, Estimates and Assumptions

(i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure is set out below. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves are found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is determined that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

Investment in controlled entities

In prior years, the Parent made a significant judgement about the impairment of a financial asset (investment in subsidiary). The Parent follows the guidance of AASB 136: Impairment of Assets in determining whether its investment in subsidiaries is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee including factors such as industry and operational and financing cash flows.

Recovery of Deferred Tax Assets

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. At balance date the net deferred tax assets are not recognised on the statement of financial position.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Inter Company Loans

The parent company advances loans to its subsidiaries to fund exploration and other activities. A provision is made for the loans outstanding at year end where the ultimate recoverability of the loans advanced is uncertain. Recoverability will depend on the successful exploitation or sale of the exploration assets of the subsidiaries.

(ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next reporting period are:

Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model or Black-Scholes model.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

(ii) Interest

Interest revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying value amount of the financial asset.

(h) Foreign Currency Translation

Both the functional and presentation currency of Berkeley at 30 June 2013 was Australian Dollars.

The following table sets out the functional currency of the subsidiary (unless dormant) of the Group:

Company Name	Functional Currency
Minera de Rio Alagon, S.L.	Euro
Berkeley Exploration Limited	A$
Berkeley Minera Espana, S.A.	Euro
Geothermal Energy Sources, S.L.	Euro

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to the income statement with the exception of differences in foreign currency borrowings that provide a hedge against a net investment in a foreign entity and exchange differences on intercompany loans which are not expected or planned to be repaid. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and tax credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Where the functional currency of a subsidiary of Berkeley Resources Limited is not Australian Dollars the assets and liabilities of the subsidiary at reporting date are translated into the presentation currency of Berkeley at the rate of exchange ruling at the balance sheet date and the income statements are translated by applying the average exchange rate for the year.

Any exchange differences arising on this retranslation are taken directly to the foreign currency translation reserve in equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity and relating to that particular foreign operation is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(i) Income Tax

The income tax expense for the year is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Parent Entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

The Board of Berkeley Resources Limited has not yet resolved to consolidate eligible entities within the Group for tax purposes. The Board will review this position annually, before lodging of that years income tax return.

(j) Cash and Cash Equivalents

“Cash and cash equivalents” includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increase amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(l) Trade and Other Receivables

Trade receivables are initially recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Trade receivables are due for settlement no more than 30 days from the date of recognition. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(m) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(n) Investments and Other Financial Assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loan and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset at fair value through profit or loss if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the statement of financial position.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investments and Other Financial Assets (continued)

Available-for-sale financial assets and financial assets designated through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the net unrealised gains reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously reported in equity are included in the income statement as gains and losses on disposal of investment securities. The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is transferred from equity to the income statement. Impairment losses recognised in the income statement on equity instruments classified as held for sale are not reversed through the income statement.

(o) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Plant and equipment are depreciated on a reducing balance or straight line basis at rates based upon their effective lives as follows:

	Life
Plant and equipment	2 - 13 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the net disposal proceeds with carrying amount of the asset. These are included in the profit or loss in the period the asset is derecognised.

(p) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for the goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days.

(q) Employee Leave Benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(r) Issued Capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

(t) Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(u) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 Exploration for and Evaluation of Mineral Resources, which is the Australian equivalent of IFRS 6.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred.

A provision for unsuccessful exploration and evaluation is created against each area of interest by means of a charge to the income statement.

The recoverable amount of each area of interest is determined on a bi-annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged against profit or loss.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(w) Share Based Payments

(i) Equity settled transactions:

The Group provides benefits to directors, employees, consultants and other advisors of the Group in the form of share-based payments, whereby the directors, employees, consultants and other advisors render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model or Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Berkeley (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(x) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

	2013 $	2012 $
2. REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS		
Revenue – Interest Income	1,509,713	2,448,221
R&D Rebate received	737,198	153,635
Other Income	-	8,444
	2,246,911	**2,610,300**
3. EXPENSES AND LOSSES FROM CONTINUING OPERATIONS		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
(a) Expenses		
Depreciation and amortisation		
- Plant and equipment	163,367	159,318
(b) Employee Benefits Expense		
Salaries, wages and fees	2,406,041	3,011,542
Defined contribution/Social Security	392,153	450,525
Share-based payments (refer Note 18)	417,918	497,111
Total Employee Benefits Expense	**3,216,112**	**3,959,178**

	2013 $	2012 $
4. INCOME TAX EXPENSE		
(a) Recognised in the Income Statement		
Current income tax		
Current income tax expense/(benefit)	43,630	(286,097)
Adjustments in respect of current income tax of previous years	1,841,184	(1,526,543)
Deferred income tax		
Origination and reversal of temporary differences	(1,229,843)	(3,628,520)
Deferred tax asset not previously brought to account	(611,341)	-
Deferred tax asset not brought to account	-	5,441,160
Income tax expense reported in the income statement	**43,630**	**-**
(b) Recognised Directly in Equity		
Deferred income tax related to items charged or credited directly to equity		
Unrealised gain on available for sale financial assets	-	-
Transfer from equity to profit and loss on sale	-	-
Temporary differences not brought to account	-	-
Income tax expense reported in equity	**-**	**-**
(c) Reconciliation Between Tax Expense and Accounting Profit/(Loss) Before Income Tax		
Accounting profit/(loss) before income tax	(11,145,447)	(13,487,535)
At the domestic income tax rate of 30% (2012: 30%)	(3,343,634)	(4,046,260)
Expenditure not allowable for income tax purposes	205,882	174,983
Income not assessable for income tax purposes	(234,528)	(55,934)
Foreign currency exchange gains and other translation adjustments	2,098,808	12,594
Adjustments in respect of current income tax of previous years	1,841,184	(1,526,543)
Previously unrecognised tax losses brought to account	-	-
Temporary differences not previously brought to account	(611,341)	-
Deferred tax assets not brought to account	-	5,441,160
Income tax expense reported in the income statement	**43,630**	**-**

	2013 $	2012 $
(d) Deferred Income Tax		
Deferred income tax at 30 June 2013 relates to the following:		
Deferred Tax Liabilities		
Accrued interest	9,817	2,717
Exploration and evaluation assets	-	-
Deferred tax assets used to offset deferred tax liabilities	(9,817)	(2,717)
	-	-
Deferred Tax Assets		
Other financial assets	-	-
Accrued expenditure	12,675	18,600
Provisions	-	-
Exploration and evaluation assets	4,453,316	4,065,604
Tax losses available to offset against future taxable income	5,190,539	6,176,566
Deferred tax assets used to offset deferred tax liabilities	(9,817)	(2,717)
Deferred tax assets not brought to account	(9,646,712)	(10,258,053)
	-	-

This future income tax benefit will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

(e) Tax Consolidations

As Berkeley Resources Limited is the only Australian company in the Group, tax consolidations are not applicable.

	2013 $	2012 $
5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES		
GST and other taxes receivable	539,753	299,814
Interest receivable	32,725	9,055
Other	223,690	312,400
	796,168	**621,269**
All trade and other receivables are current and there are no amounts impaired		
6. CURRENT ASSETS – PREPAYMENTS		
Prepaid expenses	-	85,256
7. NON-CURRENT ASSETS – EXPLORATION EXPENDITURE		
The group has mineral exploration costs carried forward in respect of areas of interest:		
Areas in exploration at cost:		
Balance at the beginning of year	13,011,723	13,646,937
Net additions	36,489	91,744
Foreign exchange differences	1,125,718	(726,958)
	14,173,930	**13,011,723**
Capitalised exploration expenditure written off	-	-
Balance at end of year	**14,173,930**	**13,011,723**

The value of the exploration interests is dependent upon the discovery of commercially viable reserves and the successful development or alternatively sale, of the respective tenements. An amount of €6m (A$8.53m) relates to the capitalisation of the fees paid to ENUSA under the Co-operation Agreement relating to the tenements within the State Reserves. The Company reached agreement with ENUSA in July 2012 in the form of an Addendum to the Consortium Agreement signed in January 2009. The Addendum includes the following terms:

- The Consortium now consists of State Reserves 28 and 29;
- Berkeley's stake in the Consortium has increased to 100%;
- ENUSA will remain the owner of State Reserves 28 and 29, however the exploitation rights have been assigned to Berkeley, together with authority to submit all applications for the permitting process;
- The Company is now the sole and exclusive operator in the Addendum Reserves, with the right to exploit the contained uranium resources and have full ownership of any uranium produced;
- ENUSA will receive a production fee equivalent to 2.5% of the net sale value (after marketing and transport costs) of any uranium produced within the Addendum Reserves;
- Berkeley has waived its rights to mining in State Reserves 2,25, 30, 31, Hoja 528-1 and the Saelices El Chico Exploitation Concession, and has waived any rights to management of the Quercus plant; and
- The Co-operation Agreement with ENUSA, signed on 29 January 2009, has been terminated.

	2013 $	2012 $
8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
(a) Plant and equipment		
At beginning of financial year, net of accumulated depreciation and impairment	357,410	437,945
Additions	353,230	127,524
Depreciation charge for the year	(143,823)	(159,318)
Disposals	(367,168)	(12,293)
Foreign exchange differences	221,115	(36,448)
At end of financial year, net of accumulated depreciation and impairment	**420,764**	**357,410**
At beginning of financial year		
Cost	1,079,797	1,068,428
Accumulated depreciation and impairment	(722,387)	(630,483)
Net carrying amount	**357,410**	**437,945**
At end of financial year		
Cost	1,109,129	1,079,797
Accumulated depreciation and impairment	(688,365)	(722,387)
Net carrying amount	**420,764**	**357,410**
(b) Property		
At beginning of financial year, net of accumulated depreciation and impairment	852,361	-
Additions	445,413	894,362
Depreciation charge for the year	(19,544)	-
Foreign exchange differences	182,544	(42,001)
At end of financial year, net of accumulated depreciation and impairment	**1,460,774**	**852,361**
At beginning of financial year		
Cost	852,361	-
Accumulated depreciation and impairment	-	-
Net carrying amount	**852,361**	**-**
At end of financial year		
Cost	1,482,871	852,361
Accumulated depreciation and impairment	(22,097)	-
Net carrying amount	**1,460,774**	**852,361**

	2013 $	2012 $
8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (Continued)		
(c) Reconciliation		
At beginning of financial year, net of accumulated depreciation and impairment	1,209,771	437,945
Additions	789,644	1,021,886
Depreciation charge for the year	(163,367)	(159,318)
Disposals	(367,168)	(12,293)
Foreign exchange differences	412,658	(78,449)
At end of financial year, net of accumulated depreciation and impairment	**1,881,538**	**1,209,771**
9. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS		
Security bonds	**70,449**	**100,504**
10. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES		
Trade creditors	2,172,953	987,812
Accrued expenses	42,250	62,000
	2,215,203	**1,049,812**
All trade and other payables are current. There are no overdue amounts.		
11. CURRENT LIABILITIES – OTHER FINANCIAL LIABILITIES		
Other Financial Liabilities	**263,443**	**104,524**
12. ISSUED CAPITAL		
(a) Issued and Paid up Capital		
179,393,323 (2012: 179,298,273) fully paid ordinary shares	**119,061,813**	**118,930,526**

Note

(i) Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Parent Entity does not have authorised capital nor par value in respect of its issued shares.

(b) Movements in Ordinary Share Capital During the Past Two Years:

Details	Number of Shares	Issue Price	$
Opening Balance 1 July 2011	**174,298,273**		**117,624,295**
Issue of Shares – Placement (Apr 12)	5,000,000	0.30	1,500,000
Share issue expenses			(193,769)
Closing Balance 30 June 2012	**179,298,273**		**118,930,526**
Opening Balance 1 July 2012	**179,298,273**		**118,930,526**
Issue of Shares – Listed option conversions	95,050	0.75	71,287
Reversal of Share issue expense	-		60,000
Closing Balance 30 June 2013	**179,393,323**		**119,061,813**

(c) Terms and conditions of Ordinary Shares

(i) *General*

The ordinary shares ("Shares") are ordinary shares and rank equally in all respects with all ordinary shares in the Company.

The rights attaching to the Shares arise from a combination of the Company's Constitution, statute and general law. Copies of the Company's Constitution are available for inspection during business hours at its registered office.

(ii) *Reports and Notices*

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

(iii) *Voting*

Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every ordinary Shareholder present in person, or by proxy, attorney or representative (in the case of a Company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a Company) has one vote for any Share held by the Shareholder.

A poll may be demanded by the Chairperson of the meeting, any 5 Shareholders entitled to vote in person or by proxy, attorney or representative or by any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote.

(iv) *Variation of Shares and Rights Attaching to Shares*

Shares may be converted or cancelled with member approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act.

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

(v) *Unmarketable Parcels*

The Company may procure the disposal of Shares where the member holds less than a marketable parcel of Shares within the meaning of the Listing Rules (being a parcel of shares with a market value of less than $500). To invoke this procedure, the Directors must first give notice to the relevant member holding less than a marketable parcel of Shares, who may then elect not to have his or her Shares sold by notifying the Directors.

12. ISSUED CAPITAL (Continued)

(c) Terms and conditions of Ordinary Shares (Continued)

(vi) *Changes to the Constitution*

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(vii) *Listing Rules*

Provided the Company remains admitted to the Official List of the Australian Securities Exchange Ltd, then despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

13. RESERVES

	Note	2013 $	2012 $
Share based payments reserve	13(b)	2,623,721	4,363,630
Foreign currency translation reserve	13(c)	(2,593,048)	(3,778,248)
		30,673	**585,382**

(a) Nature and Purpose of Reserves

Share based payments reserve

The Share based payments reserve records the fair value of share based payments made by the Company.

Foreign currency translation reserve

Exchange differences arising on translation of a foreign controlled entity are taken to the foreign currency translation reserve, as described in Note 1(h). The reserve is recognised in profit and loss when the net investment is disposed of.

13. RESERVES (Continued)

(b) Movements during the Past Two Years:

Date	Details	Number of Listed Options[(1)]	Number of $1.86 Incentive Options	Number of $1.00 Incentive Options	Number of $1.25 Incentive Options	Number of $1.35 Incentive Options	Number of $0.41 Director Options	Number of $0.41 Incentive Options	Number of $0.475 Incentive Options	Number of $0.45 Unlisted Options	Performance Rights	Fair Value $	$
1-Jul-11	Opening Balance	**11,989,428**	**1,960,000**	**495,834**	**1,000,000**	**2,311,666**	**-**	**-**	**-**	**-**	**-**	**-**	**6,194,728**
6-Aug-11	Options expired	-	(1,960,000)	-	-	-	-	-	-	-	-	-	(2,197,160)
23-Sep-11	Options issued	-	-	-	-	-	2,000,000	-	-	-	-	0.216	-
	Options issued	-	-	-	-	-	-	1,000,000	-	-	-	0.203	-
22-Feb-12	Options issued	-	-	-	-	-	-	-	500,000	-	-	0.235	-
5-Apr-12	Options issued	-	-	-	-	-	-	-	1,500,000	-	-	0.202	-
27-Apr-12	Options issued	-	-	-	-	-	-	-	-	500,000	-	0.255	127,500
	Free attaching options issued	-	-	-	-	-	-	-	-	5,000,000	-	-	-
20-Jun-12	Options expired	-	-	(495,834)	-	-	-	-	-	-	-	-	(243,454)
30-Jun-12	Option vesting expense	-	-	-	-	-	-	-	-	-	-	-	497,111
Various	Options forfeited	-	-	-	-	(53,333)	(2,000,000)	-	(1,000,000)	-	-	-	(15,095)
30-Jun-12	**Closing Balance**	**11,989,428**	**-**	**-**	**1,000,000**	**2,258,333**	**-**	**1,000,000**	**1,000,000**	**5,500,000**	**-**		**4,363,630**
1-Jul-12	Opening Balance	**11,989,428**	**-**	**-**	**1,000,000**	**2,258,333**	**-**	**1,000,000**	**1,000,000**	**5,500,000**	**-**		**4,363,630**
1-Jul-12	Option issue proceeds	-	-	-	-	-	-	-	-	-	-	-	500
10-Aug-12	Options exercised	(95,000)	-	-	-	-	-	-	-	-	-	-	-
9-Nov-12	Options issued	-	-	-	-	-	-	-	750,000	-	-	0.210	-
12-Apr-13	Performance Rights issued	-	-	-	-	-	-	-	-	-	4,672,000	0.309	-
15-May-13	Options exercised	(50)	-	-	-	-	-	-	-	-	-	-	-
15-May-13	Options expired	(11,894,378)	-	-	-	-	-	-	-	-	-	-	(2,008,800)
Various	Adjustment for lapsed options	-	-	-	-	(396,667)	-	-	-	-	-	-	(149,527)
30-Jun-13	Share based payments expense	-	-	-	-	-	-	-	-	-	-	-	417,918
30-Jun-13	**Closing Balance**	**-**	**-**	**-**	**1,000,000**	**1,861,666**	**-**	**1,000,000**	**1,750,000**	**5,500,000**	**4,672,000**		**2,623,721**

Notes

(1) Of the 11,989,428 Listed Options on issue at 1 July 2012, only 3,000,000 were issued as Share based payments. All 3,000,000 Listed Options issued as Share based payments expired on 15 May 2013.

	2013 $	2012 $
13. RESERVES (Continued)		
(c) Movements During the Past Two Years		
Foreign Currency Translation Reserve		
Opening balance	(3,778,248)	(2,722,948)
Translation of foreign operations	1,185,200	(1,055,300)
Closing balance	**(2,593,048)**	**(3,778,248)**
14. ACCUMULATED LOSSES		
Balance at beginning of year	(67,925,136)	(56,893,310)
Transfer from share based payments reserve	2,158,327	2,455,709
Net loss	(11,189,077)	(13,487,535)
Balance at end of year	**(76,955,886)**	**(67,925,136)**

(a) Dividends

No dividends were declared or paid during or since the end of the financial year.

(b) Franking Credits

In respect to the payment of dividends by Berkeley in subsequent reporting periods (if any), no franking credits are currently available, or are likely to become available in the next 12 months.

15. PARENT ENTITY INFORMATION

	Parent	
	2013 $	2012 $
Current assets	26,665,531	37,614,940
Total assets	33,035,048	43,981,714
Current liabilities	160,658	324,840
Total liabilities	160,658	324,840
Net Assets	32,874,390	43,656,874
Issued Capital	119,061,813	118,930,526
Reserves	2,623,721	4,363,630
Accumulated losses	(88,811,144)	(79,637,282)
Total equity	32,874,390	43,656,874
Profit/(Loss) of the parent entity	(11,332,189)	(14,865,932)
Total comprehensive Profit/(Loss) of the parent entity	(11,332,189)	(14,865,932)

The Parent Company had no commitments or contingencies at 30 June 2013.

16. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Name of Controlled Entity	Place of Incorporation	Equity Interest		Investment	
		2013 %	2012 %	2013 $	2012 $
Minera de Rio Alagon. S.L.	Spain	100(1)	100(1)	5,481,411	5,481,411
Berkeley Exploration Ltd	UK	100	100	-	-
Berkeley Minera Espana, S.A.	Spain	100(2)	100(2)	-	-
Geothermal Energy Sources, S.L.	Spain	100(3)	100(3)	-	-
				5,481,411	**5,481,411**

Notes

(1) In the opinion of the directors the above named investments in controlled entities have a carrying value in the Company at balance date of $5,481,412 (2012: $5,481,412), being the cost of the investment less provision for impairment.
(2) Berkeley Minera Espana, S.A. was incorporated on 12 May 2009 and is a wholly owned subsidiary of Berkeley Exploration Limited. Berkeley Minera Espana, S.A.'s issued and paid up capital is $26,750 (€15,025).
(3) Berkeley Exploration Limited acquired 100% of the issued shares in Geothermal Energy Sources, S.L. on 15 May 2009. Geothermal Energy Sources SL issued and paid up capital is $36,036 (€20,000).

(b) Ultimate Parent

Berkeley Resources Limited is the ultimate parent of the Group.

(c) Key Management Personnel

Details relating to Key Management Personnel, including remuneration paid, are included at Note 17.

(d) Transactions with Related Parties in the Consolidated Group

The group consists of Berkeley Resources Limited (the parent entity in the wholly owned group) and its controlled entities.

The following loan transactions were entered into during the year within the wholly owned group:

- Berkeley Resources Limited advanced $502,121 to Berkeley Minera Espana, S.A. by way of intercompany loan (2012: $1,169,728). The total balance at 30 June 2013 of $1,374,069 (2012: $3,464,205) has been provided for. The loan is denominated in Australian dollars (A$);
- Berkeley Resources Limited advanced $11,251,228 to Berkeley Exploration Limited by way of intercompany loan (2012: $14,623,577). The total balance at 30 June 2013 of $59,153,821 (2012: $47,902,593) has been provided for. The loan is denominated in Australian dollars (A$);
- Berkeley Exploration Limited advanced $10,486,318 to Berkeley Minera Espana, S.A. by way of intercompany loan (2012: $14,654,840). The total balance at 30 June 2013 of $58,388,911 (2012: $47,797,684) has been provided for. The loan is denominated in Australian dollars (A$).

These transactions were undertaken on commercial terms and conditions, except that:
(i) There is no fixed repayment of the loans; and
(ii) No interest is payable on the loans prior to the completion of a definitive feasibility study.

17. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) 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

Ian Middlemas	Non-Executive Chairman
James Ross	Non-Executive Deputy Chairman
Robert Behets	Non-Executive Director
Jose Ramon Esteruelas	Non-Executive Director (resigned 29 November 2012)
Matthew Syme	Non-Executive Director (resigned 2 August 2012)

Other KMP

Francisco Bellón del Rosal	General Manager Operations
Javier Colilla Peletero	Senior Vice President Corporate
Clint McGhie	Chief Financial Officer and Company Secretary

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 2012 to 30 June 2013.

(b) Key Management Personnel Compensation

	2013 $	2012 $
Short-term benefits	920,944	1,509,774
Post-employment benefits	29,452	55,412
Share-based payments	299,469	346,543
Other non-cash benefits	32,114	78,879
	1,281,979	**1,990,608**

(c) Option and Performance Right holdings of Key Management Personnel

2013	Held at 1 July 2012	Granted as Compen-sation	Options/ Rights Lapsed	Net Other Changes	Held at 30 June 2013	Vested and exercisable at 30 June 2013
Directors						
Ian Middlemas	4,000,000	-	-	-	4,000,000	4,000,000
James Ross	257,500	400,000	(257,500)	-	400,000	-
Robert Behets	1,000,000	960,000	-	-	1,960,000	1,000,000
Jose Ramon Esteruelas	500,000	-	-	-	500,000 (1)	-
Matthew Syme	1,069,002	-	-	-	1,069,002 (2)	-
Executives						
Francisco Bellón del Rosal	1,000,000	650,000	-	-	1,650,000	333,333
Javier Colilla Peletero	1,000,000	1,400,000	-	-	2,400,000	1,000,000
Clint McGhie	-	720,000	-	-	720,000	-

Notes
(1) Señor Esteruelas resigned as a Director on 29 November 2012 and this balance refers to the number of Options held at this date.
(2) Mr Syme resigned as a Director on 2 August 2012 and this balance refers to the number of Options held at this date.

2012	Held at 1 July 2011	Granted as Compen -sation	Options Lapsed	Net Other Changes	Held at 30 June 2012	Vested and exercisable at 30 June 2012
Directors						
Ian Middlemas	4,000,000[1]	-	-	-	4,000,000	4,000,000
James Ross	257,500	-	-	-	257,500	257,500
Robert Behets	1,000,000[2]	-	-	-	1,000,000	1,000,000
Jose Ramon Esteruelas	500,000	-	-	-	500,000	500,000
Matthew Syme	1,069,002	-	-	-	1,069,002	1,069,002
Laurence Marsland	-[3]	-	-	-	-[3]	-
Brendan James	-	2,000,000	(2,000,000)	-	-[4]	-
Henry Horne	416,666	-	-	-	416,666[5]	416,666
Ian Stalker	1,900,000	-	-	-	1,900,000[6]	1,900,000
Executives						
Francisco Bellón del Rosal	-	1,000,000	-	-	1,000,000	-
Javier Colilla Peletero	1,000,000	-	-	-	1,000,000	666,666
Clint McGhie	-[7]	-	-	-	-	-
Sam Middlemas	-	-	-	-	-[8]	-
Steven Turner	[9]	1,500,000	(1,000,000)	-	500,000[9]	500,000

Notes

(1) Mr Ian Middlemas was appointed a Director on 27 April 2012 and this balance refers to the number of Options held as at 27 April 2012. Mr Middlemas was issued 4,000,000 free attaching options as part of a placement prior to his appointment.
(2) Mr Behets was appointed a Director on 27 April 2012 and this balance refers to the number of Options held as at 27 April 2012. Mr Behets was issued 1,000,000 free attaching options as part of a placement prior to his appointment.
(3) Mr Marsland was appointed a Director on 25 August 2011 and resigned on 9 May 2012. These balances refer to the number of Options held on these dates.
(4) Mr James was issued 2,000,000 incentive options as part of his remuneration package on 23 September 2011. Following his resignation on 27 April 2012, these options were cancelled in accordance with the terms and conditions.
(5) Mr Horne resigned as a Director on 1 January 2012 and this balance refers to the number of Options held at this date.
(6) Mr Stalker resigned as a Director on 29 November 2011 and this balance refers to the number of Options held at this date.
(7) Mr McGhie was appointed Company Secretary on 18 May 2012 and this balance refers to the number of Options held at this date.
(8) Mr Sam Middlemas resigned as Company Secretary on 18 May 2012 and this balance refers to the number of Options held at this date.
(9) Mr Turner was appointed Chief Financial Officer on 12 December 2011 and resigned on 27 April 2012. The balances refer to the number of Options held on these dates. Mr Turner was issued 1,500,000 incentive options on 5 April 2012. 1,000,000 incentive options were cancelled upon his resignation and the remaining 500,000 incentive options vested by agreement of the Board.

17. DIRECTOR AND EXECUTIVE DISCLOSURES (Continued)

(d) Shareholdings of Key Management Personnel

2013	Held at 1 July 2012	Granted as Compen-sation	On Exercise of Options	Net Other Changes	Held at 30 June 2013
Directors					
Ian Middlemas	5,300,000	-	-	-	5,300,000
James Ross	315,000	-	-	-	315,000
Robert Behets	1,000,000	-	-	-	1,000,000
Jose Ramon Esteruelas	-	-	-	-	-(1)
Matthew Syme	2,168,105	-	-	-	-(2)
Executives					
Francisco Bellón del Rosal	103,200	-	-	-	103,200
Javier Colilla Peletero	350,000	-	-	-	350,000
Clint McGhie	-	-	-	-	-

Notes

(1) Señor Esteruelas resigned as a Director on 29 November 2012 and this balance refers to the number of Shares held at this date.
(2) Mr Syme resigned as a Director on 2 August 2012 and this balance refers to the number of Shares held at this date.

2012	Held at 1 July 2011	Granted as Compen-sation	On Exercise of Options	Net Other Changes	Held at 30 June 2012
Directors					
Ian Middlemas	5,300,000[1]	-	-	-	5,300,000
James Ross	315,000	-	-	-	315,000
Robert Behets	1,000,000[2]	-	-	-	1,000,000
Jose Ramon Esteruelas	-	-	-	-	-
Matthew Syme	2,168,105	-	-	-	2,168,105
Laurence Marsland	-[3]		-	500,000	500,000[3]
Brendan James	-	-	-	-	-[4]
Henry Horne	-	-	-	-	-[5]
Ian Stalker	-	-	-	-	-[6]
Executives					
Francisco Bellón del Rosal	-	-	-	103,200	103,200
Javier Colilla Peletero	-	-	-	350,000	350,000
Clint McGhie	-[7]	-	-	-	-
Sam Middlemas	25,000	-	-	-	25,000[8]
Steven Turner	-[9]	-	-	-	-[9]

Notes

(1) Mr Ian Middlemas was appointed a Director on 27 April 2012 and this balance refers to the number of Shares held as at 27 April 2012. Mr Middlemas subscribed for 4,000,000 Shares at $0.30 each as part of a placement prior to his appointment.
(2) Mr Behets was appointed a Director on 27 April 2012 and this balance refers to the number of Shares held as at 27 April 2012. Mr Behets subscribed for 1,000,000 Shares at $0.30 each as part of a placement prior to his appointment.
(3) Mr Marsland was appointed a Director on 25 August 2011 and resigned on 9 May 2012. These balances refer to the number of Shares held on these dates.
(4) Mr James resigned as a Director on 27 April 2012 and this balance refers to the number of Shares held as at this date.
(5) Mr Horne resigned as a Director on 1 January 2012 and this balance refers to the number of Shares held at this date.
(6) Mr Stalker resigned as a Director on 29 November 2011 and this balance refers to the number of Shares held at this date.
(7) Mr McGhie was appointed Company Secretary on 18 May 2012 and this balance refers to the number of Shares held at this date.
(8) Mr Sam Middlemas resigned as Company Secretary on 18 May 2012 and this balance refers to the number of Shares held at this date.
(9) Mr Turner was appointed Chief Financial Officer on 12 December 2011 and resigned on 27 April 2012. The balances refer to the number of Shares held on these dates.

18. SHARE-BASED PAYMENTS

(a) Recognised Share-Based Payment Expense

	2013 $	2012 $
Expense arising from equity-settled share-based payment transactions to:		
Employees	(417,918)	(497,111)
Total expense arising from share-based payment transactions	**(417,918)**	**(497,111)**
Equity-settled share-based payment transaction recognised directly in Equity:		
Issue of Options	500	127,500
Total share-based payment transactions recognised directly in Equity	**500**	**127,500**

(b) Summary of Options and Performance Rights Granted

The following share-based payment arrangements were granted during the last two years:

2013 Series	Security Type	Number	Grant Date	Note	Expiry Date	Exercise Price $	Fair Value $
Series 1	Option	750,000	9-Nov-12	(1)	22-Dec-15	0.475	0.210
Series 2	Right	968,000	12-Apr-13	(2)	30-Jun-14	-	0.309
Series 3	Right	968,000	12-Apr-13	(3)	30-Jun-15	-	0.309
Series 4	Right	1,318,000	12-Apr-13	(4)	31-Dec-16	-	0.309
Series 5	Right	1,418,000	12-Apr-13	(5)	31-Dec-17	-	0.309

Notes

(1) 375,000 of these options vest on 12 December 2013 and 375,000 of these options vest on 12 December 2014.
(2) Tranche 1: Pre-Feasibility Milestone (refer to Note 18(f) for terms of Milestone) (Milestone date: 31 December 2013; Expiry date: 30 June 2014)
(3) Tranche 2: Definitive Feasibility Milestone (refer to Note 18(f) for terms of Milestone) (Milestone date: 31 December 2014; Expiry date: 30 June 2015)
(4) Tranche 3: Project Construction Milestone (refer to Note 18(f) for terms of Milestone) (Milestone date: 31 December 2015; Expiry date: 31 December 2016)
(5) Tranche 4: Production Milestone (refer to Note 18(f) for terms of Milestone) (Milestone date: 31 December 2016; Expiry date: 31 December 2017)

2012 Series	Security Type	Number	Grant Date	Note	Expiry Date	Exercise Price $	Fair Value $
Series 1	Option	2,000,000	23-Sep-11	(1)	1-May-16	0.41	0.216
Series 2	Option	1,000,000	23-Sep-11	(2)	21-Sep-15	0.41	0.203
Series 3	Option	500,000	22-Dec-11	(3)	22-Dec-15	0.475	0.235
Series 4	Option	1,500,000	12-Mar-12	(4)	22-Dec-15	0.475	0.202
Series 5	Option	500,000	27-Apr-12	(5)	30-Jun-16	0.45	0.255

Notes

(1) These options were yet to vest and were forfeited during the year.
(2) 333,333 of these options vest on 21 September 2012, 333,333 of these options vest on 21 September 2013 and 333,334 of these options vest on 21 September 2014.
(3) 300,000 of these options vest on 22 December 2013 and 200,000 of these options vest on 22 December 2014.
(4) 500,000 of these options were fully vested as at 30 June 2012 following agreement by the Board. The remaining 1,000,000 options were forfeited.
(5) There were no vesting conditions on these options.

The following table illustrates the number and weighted average exercise prices (WAEP) of share options and performance rights issued as share-based payments at the beginning and end of the financial year:

	2013 Number	2013 WAEP	2012 Number	2012 WAEP
Outstanding at beginning of year	8,758,333	$0.87	8,767,500	$1.23
Granted by the Company during the year	5,422,000	$0.07	5,500,000	$0.44
Exercised during the year		-	-	-
Expired during the year	(3,000,000)	$0.75	(2,455,834)	$1.69
Forfeited during the year	(396,667)	$1.35	(3,053,333)	$0.45
Outstanding at end of year	**10,783,666**	**$0.48**	**8,758,333**	**$0.87**

The outstanding balance of options and performance rights issued as share-based payments on issue as at 30 June 2013 is represented by:

- 1,000,000 unlisted options at an exercise price of $1.25 each that expire on 1 December 2013;
- 1,861,666 unlisted options at an exercise price of $1.35 each that expire on 18 June 2014;
- 1,000,000 unlisted options at an exercise price of $0.41 each that expire on 21 September 2015;
- 1,750,000 unlisted options at an exercise price of $0.475 each that expire on 22 December 2015;
- 500,000 unlisted options at an exercise price of $0.45 each that expire on 30 June 2016;
- 968,000 performance rights at no exercise price that expire on 30 June 2014;
- 968,000 performance rights at no exercise price that expire on 30 June 2015;
- 1,318,000 performance rights at no exercise price that expire on 31 December 2016; and
- 1,418,000 performance rights at no exercise price that expire on 31 December 2017.

18. SHARE-BASED PAYMENTS (Continued)

(c) Weighted Average Remaining Contractual Life

The weighted average remaining contractual life for share options and performance rights issued as share-based payments outstanding as at 30 June 2013 is 2.07 years (2012: 1.96 years).

(d) Range of Exercise Prices

The range of exercise prices for share options issued as share-based payments outstanding as at 30 June 2013 was $0.41 to $1.35 (2012: $0.41 to $1.35). The performance rights issued as share base payments outstanding at 30 June 2013 have no exercise price.

(e) Weighted Average Fair Value

The weighted average fair value of options and performance rights granted by the Group as equity-settled share-based payments during the year ended 30 June 2013 was $0.375 (2012: $0.215).

(f) Option and Performance Rights Pricing Model

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Binomial option valuation model taking into account the terms and conditions upon which the options were granted. The fair value of the performance rights granted is estimated as at the date of grant using the seven day volume weighted average share price prior to issuance.

The following table lists the inputs to the valuation model used for the share options and performance right granted by the Group during the year ended 30 June 2013:

2013					
Inputs	**Series 1**	**Series 2**	**Series 3**	**Series 4**	**Series 5**
Exercise price	$0.475	-	-	-	-
Grant date share price	$0.430	$0.309	$0.309	$0.309	$0.309
Dividend yield [(i)]	-	-	-	-	-
Volatility [(ii)]	75%	-	-	-	-
Risk-free interest rate	2.61%	-	-	-	-
Grant date	9-Nov-12	12-Apr-13	12-Apr-13	12-Apr-13	12-Apr-13
Expiry date	22-Dec-15	30-Jun-14	30-Jun-15	31-Dec-16	31-Dec-17
Expected life of option [(iii)]	3.12	1.16	2.16	3.67	4.67
Fair value at grant date	$0.210	$0.309	$0.309	$0.309	$0.309

The following table lists the inputs to the valuation model used for share options granted by the Group during the year ended 30 June 2012:

2012					
Inputs	**Series 1**	**Series 2**	**Series 3**	**Series 4**	**Series 5**
Exercise price	$0.41	$0.41	$0.475	$0.475	$0.45
Grant date share price	$0.34	$0.34	$0.395	$0.36	$0.41
Dividend yield (i)	-	-	-	-	-
Volatility (ii)	85%	85%	85%	85%	85%
Risk-free interest rate	3.63%	3.63%	3.31%	3.62%	3.14%
Grant date	23-Sep-11	23-Sep-11	22-Dec-11	12-Mar-12	27-Apr-12
Expiry date	1-May16	21-Sep-15	22-Dec-15	22-Dec-15	30-Jun-16
Expected life of option (iii)	4.61	4.00	4.00	3.78	4.18
Fair value at grant date	$0.216	$0.203	$0.235	$0.202	$0.255

Notes

(i) The dividend yield reflects the assumption that the current dividend payout will remain unchanged.
(ii) The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.
(iii) The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

(g) Terms and conditions of Performance Rights

The unlisted performance share rights (**Performance Rights**) are granted based upon the following terms and conditions:

- each Performance Right automatically converts into one Ordinary Share upon vesting of the Performance Right;
- each Performance Right is subject to performance conditions (as determined by the Board from time to time) which must be satisfied in order for the Performance Right to vest;
- the Performance Rights vest on completion of the four milestones:
  - **Pre-Feasibility Study Milestone** means delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to Definitive Feasibility Study, evidenced by the Board resolving to continue as such.
  - **Definitive Feasibility Study Milestone** means delivery of a positive Definitive Feasibility Study and Value Engineering, and the Company making a decision to proceed to development of operation evidenced by the Board resolving to continue to develop the Project.
  - **Project Construction Milestone** means completion of an agreed % (to be determined by the Board no later than the completion of the Definitive Feasibility Study Milestone) of the project development phase, as per the project development schedule and budget approved by the Board in accordance with the Definitive Feasibility Study Milestone.
  - **Production Milestone** means achievement of first uranium production.
- If a performance condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Rights will lapse;
- Ordinary Shares issued on conversion of the Performance Rights rank equally with the then Ordinary Shares of the Company;
- application will be made by the Company to ASX for official quotation of the Ordinary Shares issued upon conversion of the Performance Rights;

18. SHARE-BASED PAYMENTS (Continued)

(g) Terms and conditions of Performance Rights (Continued)

- if there is any reconstruction of the issued share capital of the Company, the rights of the Performance Right holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction;
- no application for quotation of the Performance Rights will be made by the Company; and
- without approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

	2013 $	2012 $
19. REMUNERATION OF AUDITORS		
Amounts received by Stantons International for:		
- an audit or review of the financial reports of the Company	35,030	60,398
- other services in relation to the Company	-	-
	35,050	**60,398**
Other auditors for:		
- an audit or review of the financial reports	37,570	23,385
- other services	-	-
Total Auditors Remuneration	**72,600**	**83,783**

20. COMMITMENTS FOR EXPENDITURE

The Consolidated Entity has the following commitments at 30 June 2013:

Operating Lease Commitment

Minera de Rio Alagon, S.L. had a non-cancellable operating lease agreement which expired 9 November 2012.

	2013 $	2012 $
Minimum lease payments payable:		
- Not longer than 1 year	-	16,670
- Longer than 1 year and not longer than 5 years	-	-
- Longer than 5 years	-	-
	-	**16,670**

The Consolidated entity has no commitments for expenditure nor any contingent assets or liabilities at balance date.

21. 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.

(a) Reconciliation of Non-current Assets by geographical location

	2013 $	2012 $
Australia	3,106	361
Spain	16,122,812	14,321,637
	16,125,918	**14,321,998**

22. EARNINGS PER SHARE

	2013 Cents per Share	2012 Cents per Share
(a) Basic Profit/(Loss) per Share		
From continuing operations	(6.21)	(7.70)
Total basic profit/(loss) per share	(6.21)	**(7.70)**
(b) Diluted Profit/(Loss) per Share		
From continuing operations	(6.21)	(7.70)
Total diluted profit/(loss) per share	(6.21)	**(7.70)**

(c) Earnings Used in Calculating Earnings per Share

The following reflects the income data used in the calculations of basic and diluted earnings per share:

	Consolidated	
	2013 $	2012 $
Net loss used in calculating basic and diluted earnings per share	**(11,189,077)**	**(13,487,535)**

22. EARNINGS PER SHARE (Continued)

(d) Weighted Average Number of Shares

The following reflects the share data used in the calculations of basic and diluted earnings per share:

	Number of Shares 2013	Number of Shares 2012
Weighted average number of ordinary shares used in calculating basic earnings per share	179,382,608	175,172,590
Effect of dilutive securities [(i)]		-
Adjusted weighted average number of ordinary shares and potential ordinary shares used in calculating basic and diluted earnings per share	**179,382,608**	**175,172,590**

(i) *At 30 June 2013, 6,111,666 options and 4,672,000 performance rights (which represent 10,758,333 potential ordinary shares) were considered not dilutive as they would decrease the loss per share for the year ended 30 June 2013.*

(e) Conversions, Calls, Subscriptions or Issues after 30 June 2013

Since 30 June 2013, no securities have been issued.

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

	2013 $	2012 $
23. CASH FLOW STATEMENT		
(a) Reconciliation of Net Loss Before Income Tax Expense to Net Cash Flows from Operating Activities		
Net loss before income tax expense	(11,145,447)	(13,487,535)
Adjustment for non-cash income and expense items		
Provision for employee entitlements	-	-
Profit on sale of tenements	-	-
Loss on sale of asset	-	9,871
Depreciation	163,367	159,318
Share based payments expensed	417,918	497,111
Other non-cash expenses	-	292
Foreign exchange movement	21,358	
Changes in assets and liabilities -		
(Increase)/decrease in trade and other receivables	(59,589)	(303,678)
Increase/(decrease) in trade and other payables	1,324,310	(119,362)
Net cash outflow from operating activities	**(9,278,083)**	**(13,243,983)**

	2013 $	2012 $
(b) Reconciliation of Cash and Cash Equivalents		
Cash at bank and on hand	3,236,790	2,051,719
Bank short term deposits	24,500,000	35,664,866
	27,736,790	**37,716,585**

(c) Credit Standby Arrangements with Banks

At balance date, the Company had no used or unused financing facilities.

(d) Non-cash Financing and Investment Activities

30 June 2013

There were no non-cash financing or investing activities during the year ended 30 June 2013.

30 June 2012

During the year there were 500,000 unlisted options exercisable for $0.45 each on or before 30 June 2016, issued as a fee for the placement of 5,000,000 shares at $0.30 per share. A subscription price of $0.01 per option was payable.

24. FINANCIAL INSTRUMENTS

(a) Overview

The Group's principal financial instruments comprise receivables, payables, available-for-sale investments, cash and short-term deposits. The main risks arising from the Group's financial instruments are interest rate risk, equity price risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

24. FINANCIAL INSTRUMENTS (Continued)

(b) Credit Risk (Continued)

	2013 $	2012 $
Current Assets		
Cash and cash equivalents	27,736,790	37,716,585
Trade and other receivables	796,168	621,269
	28,532,958	38,337,854
Non-current Assets		
Other financial assets	70,449	100,504
	70,449	100,504
	28,603,407	**38,438,358**

The Group does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

Trade and other receivables comprise GST/VAT receivable, accrued interest and other miscellaneous receivables. Where possible the Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At 30 June 2013 and 2012, the Group has sufficient liquid assets to meet its financial obligations.

The contractual maturities of financial assets and financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

2013	≤ 6 months $	6 - 12 months $	1 - 5 years $	≥ 5 years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	27,736,790	-	-	-	-
Trade and other receivables	796,168	-	-	-	-
Security bonds	70,449	-	-	-	-
	28,603,407	**-**	**-**	**-**	**-**
Financial Liabilities					
Trade and other payables	2,215,203	-	-	-	-
Income tax payable	43,630	-	-	-	-
Other financial liabilities	263,443	-	-	-	-
	2,522,276	**-**	**-**	**-**	**-**

2012	≤ 6 months $	6 - 12 months $	1 - 5 years $	≥ 5 years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	37,716,585	-	-	-	37,716,585
Trade and other receivables	621,269	-	-	-	621,269
Security bonds	-	100,504	-	-	100,504
	38,337,854	**100,504**	**-**	**-**	**38,438,358**
Financial Liabilities					
Trade and other payables	1,049,812	-	-	-	1,049,812
Other financial liabilities	104,524	-	-	-	104,524
	1,154,524	**-**	**-**	**-**	**1,154,524**

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables, security deposits, investments in securities, and payables are non-interest bearing.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2013 $	2012 $
Interest-bearing Financial Instruments		
Cash at bank and on hand	3,236,790	2,051,719
Bank short term deposits	24,500,000	35,664,866
	27,736,790	**37,716,585**

The Group's cash at bank and on hand and short term deposits had a weighted average floating interest rate at year end of 3.75% (2012: 4.99%).

24. FINANCIAL INSTRUMENTS (Continued)

(d) Interest Rate Risk (Continued)

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

A sensitivity of 10 per cent has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 10% movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below based on the average amount of interest bearing financial instruments held. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

	Profit or Loss		Equity	
	10% Increase $	10% Decrease $	10% Increase $	10% Decrease $
2013				
Group				
Cash and cash equivalents	**122,725**	**(122,725)**	**122,725**	**(122,725)**
2012				
Group				
Cash and cash equivalents	**220,129**	**(220,129)**	**220,129**	**(220,129)**

(e) Foreign Currency Risk

As a result of activities overseas, the Group's statement of financial position can be affected by movements in exchange rates.

The Group also has transactional currency exposures. Such exposure arises from transactions denominated in currencies other than the functional currency of the entity.

The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk.

The Group's exposure to foreign currency risk throughout the current and prior year primarily arose from the Group's wholly owned subsidiaries Berkeley Minera Espana, S.L., Minera del Rio Alagon, S.L., and Geothermal Energy Sources, S.L whose functional currency is the Euro. Foreign currency risk arises on translation of the net assets of these controlled entities to Australian dollars. The foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve. There is no hedging of this risk.

Sensitivity analysis for currency risk

A sensitivity of 10 per cent has been selected as this is considered reasonable given historic and potential future changes in foreign currency rates. This has been applied to the net financial instruments of Minera de Rio Alagon, S.L., Berkeley Minera Espana, S.A. and Geothermal Energy Sources, S.L. This sensitivity analysis is prepared as at balance date.

A 10% strengthening/weakening of the Australian dollar against the Euro at 30 June 2013 would have increased/(decreased) the net financial assets of the Spanish controlled entities by A$7,828 and (A$6,404) (2012: (A$7,198) and A$8,798).

There would be no impact on profit or loss arising from these changes in the currency risk variables as all changes in value are taken to a reserve.

The above analysis assumes that all other variables, in particular interest rates and equity prices, remain constant. The analysis for 2012 has been performed on the same basis.

(f) Equity Price Risk

The Group is not exposed to equity price risk as it does not hold any equity interests other than interests in subsidiaries.

Equity price sensitivity

There is no effect on the net loss or equity reserves as at 30 June 2013 as the group does not have an exposure to equity price risk from equity investments at that date.

The Group's sensitivity to equity prices has not changed significantly from the prior years.

(g) Commodity Price Risk

The Group is exposed to uranium commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

(h) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

(i) Fair Value

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

25. CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2013 (2012: Nil).

26. SUBSEQUENT EVENTS

There are no matters or circumstances, which have arisen since 30 June 2013 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2013, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2013, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2013, of the Consolidated Entity.

DIRECTORS' DECLARATION

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

(1) In the opinion of the Directors:

(a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited of the Consolidated Entity are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with accounting standards and the Corporations Act 2001;

(iii) complying with International Financial Reporting Standards; and

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

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

On behalf of the Board.

ROBERT BEHETS
Non Executive Director

20 September 2013

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20 September 2013

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

Dear Directors

RE: BERKELEY RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Berkeley Resources Limited.

As the Audit Director for the audit of the financial statements of Berkeley Resources Limited for the year ended 30 June 2013, 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)

John Van Dieren
Director

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

Report on the Financial Report

We have audited the accompanying financial report of Berkeley Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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

Independence

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

Opinion

In our opinion:

(a) the financial report of Berkeley Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 16 to 24 of the directors' report for the year ended 30 June 2013. 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

Opinion
In our opinion the remuneration report of Berkeley Resources Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

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

Stantons International Audit and Consulting Pty Ltd

John Van Dieren
Director

West Perth, Western Australia
20 September 2013