



BERKELEY*energia*

(Formerly Berkeley Energy Limited)

**Interim Financial Report
for the Half Year Ended
31 December 2015**

ABN 40 052 468 569



CORPORATE DIRECTORY

Directors

Mr Ian Middlemas Chairman
Mr Paul Atherley Managing Director
Dr James Ross Non-Executive Deputy Chairman
Mr Robert Behets Non-Executive Director

Company Secretary

Mr Dylan Browne

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Auditor

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Solicitors

DLA Piper Australia

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Santander Bank

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Australia and New Zealand Banking Group Ltd

Share Registry

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Australia
Australian Securities Exchange (ASX Code: **BKY**)

United Kingdom

London Stock Exchange – AIM (AIM Code: **BKY**)

Nominate Advisor and Broker

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The Board of Directors of Berkeley Energia Limited present their report on the consolidated entity of Berkeley Energia Limited ('the Company' or 'Berkeley') and the entities it controlled during the half year ended 31 December 2015 ('Consolidated Entity' or 'Group').

DIRECTORS

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

Mr Ian Middlemas	Chairman
Mr Paul Atherley	Managing Director (Appointed 1 July 2015)
Dr James Ross	Non-Executive Deputy Chairman
Mr Robert Behets	Non-Executive Director

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

REVIEW OF OPERATIONS AND ACTIVITIES

Operations

Berkeley is a high impact, clean energy company focussed on developing Europe's largest uranium project, the Salamanca project, whilst delivering sustainable jobs and fuelling Europe's clean energy future.

During the period, the Company continued to focus on progressing the shallow high grade Zona 7 deposit which has transformed the economics of the Salamanca project and has led to the Company aiming to be one of the world's lowest cost producers of uranium.

The inclusion of the Zona 7 deposit has lifted the after tax net present value of the project to US\$353.5 million (£235.7 million) with an internal rate of return of 54% based on a discount rate of 8% representing around £1.31 per share on an undiluted and unfinanced basis at current contracted uranium prices.

Estimated operating costs have decreased from US\$24.60 to US\$15.60 per pound of uranium produced during steady state operations, making it one of the lowest cost producers in the world once developed.

In addition to the reduction in operating cost, the capital cost to initial production has been reduced from US\$95.1 million to US\$81.4 million making it one of the lowest capital cost projects of those currently being considered for development.

Zona 7 has impressive metallurgical characteristics and is located within ten kilometres of the proposed processing plant and has increased the mine life from eleven to eighteen years.

An upgrade to the Zona 7 Mineral Resource Estimate ('MRE') was conducted during the period. The MRE for Zona 7 now stands at 31.4 million pounds of U_3O_8 (at a cut-off grade of 200 ppm) including an Indicated resource of 17.1 million tonnes at 735 ppm containing 27.8 million pounds of U_3O_8 . The reported grades of the resource are comparable to the world's highest grade open pit mines in operation, with the bulk of the resource lying within fifty metres of the surface.

Furthermore, three holes drilled from surface through the deposit to a depth of 220 metres reported grades up to eighteen times higher than the average grade of the resource highlighting the likelihood for the discovery of depth extensions to the deposit.

Operations (Continued)

Outstanding intercepts included:

- 48 metres @ 1,018 ppm U_3O_8
incl. 9 metres @ 1,969 ppm U_3O_8
- 19 metres @ 1,753 ppm U_3O_8
- 14 metres @ 4,481 ppm U_3O_8
incl. 5 metres @ 11,913 ppm U_3O_8
- 11 metres @ 1,105 ppm U_3O_8
- 7 metres @ 1,438 ppm U_3O_8
- 6 metres @ 3,274 ppm U_3O_8
- 4 metres @ 1,598 ppm U_3O_8

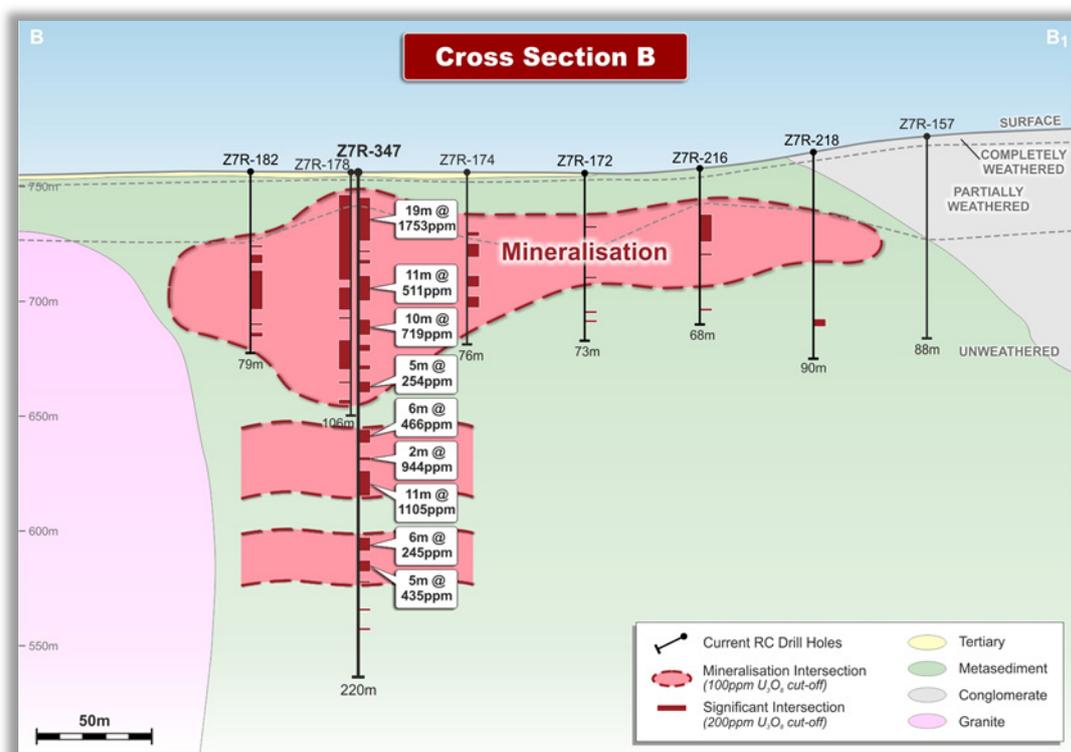


Figure 1: Zona 7 Cross Section

An updated MRE for the Retortillo deposit reported during the period has increased the grade by 15% which is expected to have a positive effect on the overall economics of the project and emphasizes the projects' robustness at current uranium prices.

Optimisation studies have commenced as part of the Definitive Feasibility Study for the project. Early indications of these studies have demonstrated that, whilst the project has benefited from on average a 42% increase in grade from the Zona 7 ore during the first ten years of operation there is room for improvement, particularly in the material handling scheduling, strip ratio, the mining unit rates and the fixed costs associated with grade control drilling and assaying.

The optimisation studies are focussed on reducing the current estimated US\$15.60 per pound of uranium produced on a steady state basis, ranking the project amongst the world's lowest cost producers.

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)

Operations (Continued)

Permitting

The Company has now received all the European Union, National, Regional and Provincial level approvals required for the initial infrastructure development of the project.

Land acquisition and tendering for initial site works, which include a road deviation and the upgrade of local power lines to service the project, are well advanced. Contracts are expected to be awarded in due course with first works to commencing shortly thereafter. These initial site works will be financed from existing cash held by the Company.

The European Union has issued a favourable report acknowledging that the Company has met its obligations to the Euratom agency in relation to the Retortillo and Alameda deposits. Euratom's primary function is to develop nuclear energy and distribute it to its member states. The report highlights that the project will help to meet European demand for uranium and bolster domestic production by doubling production from current levels.

Employment

The Salamanca project is located in a historic uranium mining area and, as such, there is overwhelming local support for the project, as the community is familiar with the benefits the investment in a project of this magnitude will bring to the region.

Over 19,800 applicants have been received for the first 200 jobs advertised reflecting the intense demand for sustainable jobs in a community hard-hit by inter-generational unemployment and rural desertification.

The workforce is expected to peak at over 450 jobs once full production is achieved. The University of Salamanca has estimated that the Company's investment in the project will generate an additional 5.1 indirect jobs for every direct job, making the project one of the largest creators of sustainable employment in a community which has suffered badly from long term unemployment.

Corporate

Financiers and strategic partners

Following the Board's decision to push ahead with the overall development of the project and the recent positive study and permitting announcements, the Company continues to receive approaches from potential financiers and strategic partners.

The Company is exploring a range of financing options and strategic partnerships with a view to fully funding the project's development whilst minimizing shareholder equity dilution.

A number of the prospective financiers and strategic partners have commenced detailed due diligence reviews with site visits currently underway.

Potential off-take partners

The project is one of the few large scale and low cost uranium mines in the world commencing development in 2016 and a recent visit to Asia has indicated a high level of interest in the project's offtake arrangements and potential financing amongst the main utilities and trading houses.

Management has recently commenced discussions with the major European and US utilities who have also expressed interest in the project.



DIRECTORS' REPORT (Continued)

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)

Corporate (Continued)

Potential off-take partners (Continued)

There are an increasing number of utilities that will be re-contracting offtake from 2018 onwards and the Company has commenced discussions with a number of these both in Asia and the US who are looking to enter these commercial arrangements now.

Other Corporate

On 1 July 2015, Mr Paul Atherley was appointed as Managing Director of the Company and is based in London. Mr Atherley is an accomplished mining executive with over 30 years resource industry experience in the UK, Australia and China.

He is a Mining Engineer from Imperial College London and holds postgraduate qualifications including an MBA and a MAppSc in Mining Geomechanics. He has held a number of senior executive and board positions during his career.

He has completed a number of acquisitions and financings of resource projects in Australia, South East Asia, Africa and Western Europe, and has well-established relationships with European and Australian capital markets.

Mr Dylan Browne was appointed CFO and Company Secretary of the Company following the resignation of Mr Clint McGhie effective 29 October 2015 as a result of the Company's corporate management base moving to the London office. Mr Browne is a Chartered Accountant and Chartered Secretary who commenced his career at a large international accounting firm and has since worked in the corporate office of a number of listed companies that operate in the resources sector.

A meeting of shareholders of the Company was held on 31 July 2015 which approved the renewal of existing Performance Rights and award of new Performance Rights to the Executive team who will be responsible for bringing the Salamanca Project into production.

On 27 November 2015, a meeting of shareholders was held which approved the change of name to Berkeley Energia Limited.

Results of Operations

The net loss of the Consolidated Entity for the half-year ended 31 December 2015 was \$5,832,634 (31 December 2014: \$3,995,289). Significant items contributing to the current half-year loss and the substantial differences from the previous half-year include to the following:

- (i) Exploration and evaluation expenses of \$4,267,514 (31 December 2014: \$3,557,219), 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;
- (ii) Share based payments expense of \$506,203 (31 December 2014: \$186,616) was recognised in respect of incentive securities granted to directors, employees and key consultants. The Company expenses the incentive securities over the vesting period; and
- (iii) The Consolidated Entity also recognised interest income of \$155,779 (31 December 2014: \$314,580). The reduction in interest income reflects the reduced average cash position from 30 June 2015 to 31 December 2015.

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)

Financial Position

At 31 December 2015, the Group is in a strong financial position with cash reserves of \$8,413,324, with no debt.

The Group had net assets of \$23,734,442 at 31 December 2015 (30 June 2015: \$28,538,535), a decrease of 16.8% compared with the previous year. This decrease is consistent and is largely attributable to the comprehensive loss for the half-year.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

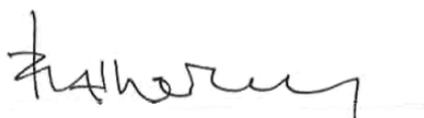
- (i) On 7 January 2016, the Company announced an updated MRE at the Retortillo deposit which resulted in a 15% increase in grade;
- (ii) On 27 January 2016, the Company announced the results from three holes from the surface through the Zona 7 deposit which reported grades up to eighteen times higher than the average grade of the resource; and
- (iii) On 12 February 2016, the Company issued 2,905,000 performance rights to key employees and consultants that were subject to various vesting conditions and expiry dates between 30 June 2017 and 31 December 2019. The Company also issued 150,000 unlisted options exercisable at £0.25 each on or before 30 June 2018, 150,000 unlisted options exercisable at £0.30 each on or before 30 June 2018 and 200,000 unlisted options exercisable at £0.40 each on or before 30 June 2018.

Other than as disclosed above or in this report, at the date of this report there were no significant events occurring after balance date requiring disclosure.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Ernst & Young, to provide the Directors of Berkeley Energia Limited with an Independence Declaration in relation to the review of the half year financial report. This Independence Declaration is on page 17 and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.



Paul Atherley
Managing Director

11 March 2016

Competent Persons Statement

The information in this report that relates to the 2016 Exploration Results for Zona 7 is extracted from the announcement entitled 'High grades intersected immediately below Zona 7 deposit' dated 27 January 2016, which is available to view on Berkeley's website at www.berkeleyenergia.com. The information in the original ASX announcement is based on, and fairly represents, information compiled by Mr Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by Maja Mining Limited, an independent consulting company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Berkeley confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. Berkeley confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to the 2016 Mineral Resources and Exploration Results for Retortillo is extracted from the announcement entitled 'Increase in Retortillo grade expected to boost economics' dated 7 January 2015 which is available to view on Berkeley's website at www.berkeleyenergia.com. The information in the original ASX announcement is based on, and fairly represents, information compiled by Mr Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by Maja Mining Limited, an independent consulting company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Berkeley confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Berkeley confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to the 2015 Mineral Resources for Zona 7 is extracted from the announcements entitled 'Increase in Zona 7 grade' dated 7 October 2015 which is available to view on Berkeley's website at www.berkeleyenergia.com. The information in the original ASX announcements is based on, and fairly represents, information compiled by Mr Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by Maja Mining Limited, an independent consulting company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Berkeley confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Berkeley confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to the Pre-Feasibility Study is extracted from the announcement entitled 'Zona 7 transforms Salamanca project economics' dated 4 November 2015 which is available to view on Berkeley's website at www.berkeleyenergia.com. The information in the original ASX announcement is based on, and fairly represents, information compiled by Mr Francisco Bellon, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Bellon is the General Manager Operation for Berkeley and a holder of shares, options and performance rights in Berkeley. Mr Bellon has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Berkeley confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of the Production Target and related forecast financial information (other than the Net Present Value and Internal Rate of Return Calculations) derived from the Production Target, all material assumptions and technical parameters underpinning the estimates in the relevant original market announcement continue to apply and have not materially changed. Berkeley confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to the Net Present Value and Internal Rate of Return calculations is extracted from the announcement entitled 'December 2015 Quarterly Report' dated 29 January 2016 which is available to view on Berkeley's website at www.berkeleyenergia.com. The information in the original ASX announcement based on, and fairly represents, information compiled by Mr Francisco Bellon, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Bellon is the General Manager Operation for Berkeley and a holder of shares, options and performance rights in Berkeley. Mr Bellon has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Berkeley confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of the Net Present Value and Internal Rate of Return Calculations, all material assumptions and technical parameters underpinning the estimates in the relevant original market announcement continue to apply and have not materially changed. Berkeley confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statement

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



DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- (a) the financial statements and notes, as set out on pages 8 to 16, are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Paul Atherley
Managing Director

11 March 2016

**CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME**
FOR THE HALF YEAR ENDED 31 DECEMBER 2015



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	Note	Half Year Ended 31 December 2015 \$	Half Year Ended 31 December 2014 \$
Revenue from continuing operations	5	155,779	314,580
Exploration and evaluation costs		(4,267,515)	(3,557,219)
Corporate and administration costs		(1,214,695)	(566,034)
Share based payments expense		(506,203)	(186,616)
Loss before income tax		(5,832,634)	(3,995,289)
Income tax expense		-	-
Loss for the half year attributable to Members of Berkeley Energia Limited		(5,832,634)	(3,995,289)
Other comprehensive income, net of income tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		288,901	264,586
Other comprehensive income/(loss) for the period, net of income tax		288,901	264,586
Total comprehensive loss for the half year attributable to Members of Berkeley Energia Limited		(5,543,733)	(3,730,703)
Basic and diluted loss per share from continuing operations (cents per share)		(3.23)	(2.22)

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 31 DECEMBER 2015



	Note	31 December 2015 \$	30 June 2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents		8,413,324	13,398,617
Trade and other receivables		439,086	479,485
Total Current Assets		8,852,410	13,878,102
Non-current Assets			
Exploration expenditure	6	14,534,398	14,257,110
Property, plant and equipment		1,661,113	1,661,785
Other financial assets		79,350	65,113
Total Non-current Assets		16,274,861	15,984,008
TOTAL ASSETS		25,127,271	29,862,110
LIABILITIES			
Current Liabilities			
Trade and other payables		1,104,231	1,033,297
Other financial liabilities		288,598	290,278
Total Current Liabilities		1,392,829	1,323,575
TOTAL LIABILITIES		1,392,829	1,323,575
NET ASSETS		23,734,442	28,538,535
EQUITY			
Issued capital	7	120,054,024	119,358,591
Reserves	8	(486,599)	(358,207)
Accumulated losses		(95,832,983)	(90,461,849)
TOTAL EQUITY		23,734,442	28,538,535

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2015



BERKELEYenergia

	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
As at 1 July 2015	119,358,591	2,106,668	(2,464,875)	(90,461,849)	28,538,535
Total comprehensive loss for the period:					
Net loss for the period	-	-	-	(5,832,634)	(5,832,634)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	288,901	-	288,901
Total comprehensive income/(loss)	-	-	288,901	(5,832,634)	(5,543,733)
Transactions with owners, recorded directly in equity					
Issue of ordinary shares	53,996	-	-	-	53,996
Exercise of incentive options	237,500	-	-	-	237,500
Share issue costs	(4,063)	-	-	-	(4,063)
Expiry of incentive options	-	(461,500)	-	461,500	-
Transfer from share based payments reserve	408,000	(408,000)	-	-	-
Share based payments	-	452,207	-	-	452,207
As at 31 December 2015	120,054,024	1,689,375	(2,175,974)	(95,832,983)	23,734,442
As at 1 July 2014	119,358,591	1,240,193	(2,420,532)	(82,596,244)	35,582,008
Total comprehensive loss for the period:					
Net loss for the period	-	-	-	(3,995,289)	(3,995,289)
Other comprehensive income:					
Exchange differences arising on translation of foreign operations	-	-	264,586	-	264,586
Total comprehensive income/(loss)	-	-	264,586	(3,995,289)	(3,730,703)
Transactions with owners, recorded directly in equity					
Transfer from share based payments reserve	-	(225,990)	-	225,990	-
Share-based payments	-	186,616	-	-	186,616
As at 31 December 2014	119,358,591	1,200,819	(2,155,946)	(86,365,543)	32,037,921

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH
FLOWS**
FOR THE HALF YEAR ENDED 31 DECEMBER 2015



	Half Year Ended 31 December 2015 \$	Half Year Ended 31 December 2014 \$
Cash flows from operating activities		
Payments to suppliers and employees	(5,335,250)	(4,368,135)
Interest received	190,956	358,670
Net cash outflow from operating activities	(5,144,294)	(4,009,465)
Cash flows from investing activities		
Payments for property, plant and equipment	(71,992)	(68,413)
Payments for exploration and evaluation	(5,967)	(4,606)
Net cash outflow from investing activities	(77,959)	(73,019)
Cash flows from financing activities		
Proceeds from issue of securities	237,500	-
Net cash inflow from financing activities	237,500	-
Net decrease in cash and cash equivalents held	(4,984,753)	(4,082,484)
Cash and cash equivalents at the beginning of the period	13,398,617	20,245,401
Effects of exchange rate changes on cash and cash equivalents	(540)	78
Cash and cash equivalents at the end of the period	8,413,324	16,162,995

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

1. REPORTING ENTITY

Berkeley Energia Limited (the "Company") is a company domiciled in Australia. The interim financial report of the Company is as at and for the six months ended 31 December 2015.

The annual financial report of the Company as at and for the year ended 30 June 2015 is available upon request from the Company's registered office.

2. STATEMENT OF COMPLIANCE

The interim financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the information of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Berkeley Energia Limited for the year ended 30 June 2015 and any public announcements made by Berkeley Energia Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim financial report was approved by the Board of Directors on 10 March 2016.

(a) Basis of Preparation of Half Year Financial Report

The principal accounting policies adopted in the preparation of the financial report have been consistently applied to all the periods presented, unless otherwise stated.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified where applicable by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies applied by the Consolidated Entity in this consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report for the year ended 30 June 2015.

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015. The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods.

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

- AASB 1031 *Materiality* and AASB 2015-3 Amendments to Australian accounting Standards arising from the withdrawal of AASB 1031.

The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015
(Continued)



4. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

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

5. REVENUE FROM CONTINUING OPERATIONS

	Consolidated 31 December 2015 \$	Consolidated 31 December 2014 \$
Interest revenue	155,779	314,580
	155,779	314,580

6. NON-CURRENT ASSETS – EXPLORATION EXPENDITURE

	Consolidated 31 December 2015 \$	Consolidated 30 June 2015 \$
The group has mineral exploration costs carried forward in respect of areas of interest:		
Areas in exploration at cost:		
<u>Salamanca Uranium Project</u>		
Balance at the beginning of period	14,257,110	14,268,990
Net additions/ (disposals)	(5,967)	(14,305)
Foreign exchange differences	283,255	2,425
Balance at end of period	14,534,398	14,257,110

The value of the exploration interests is dependent upon the discovery of commercially viable reserves and the successful development or alternatively sale, of the respective tenements. An amount of €6m (A\$8.94m) relates to the capitalisation of the fees paid to ENUSA under the Co-operation Agreement relating to the tenements within the State Reserves. The Company reached agreement with ENUSA in July 2012 in the form of an Addendum to the Consortium Agreement signed in January 2009. The Addendum includes the following terms:

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

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015
(Continued)



7. CONTRIBUTED EQUITY

(a) Issued and Paid Up Capital

	Consolidated 31 December 2015 \$	Consolidated 30 June 2015 \$
181,811,323 (30 June 2015: 180,361,323) fully paid ordinary shares	120,054,024	119,358,591

(b) Movements in Ordinary Share Capital During the Six Month Period ended 31 December 2015:

Date	Details	Number of Shares	\$
1 Jul 15	Opening Balance	180,361,323	119,358,591
22 Dec 15	Issue of shares on exercise of \$0.475 incentive options	500,000	237,500
23 Dec 15	Issue of shares on conversion of performance rights	830,000	-
23 Dec 15	Issue of shares to consultant as part of their annual fee	120,000	53,996
Jul 15 to Dec 15	Transfer from share-based payments reserve	-	408,000
Jul 15 to Dec 15	Share issue costs	-	(4,063)
31 Dec 15	Closing Balance	181,811,323	120,054,024

8. RESERVES

	Consolidated 31 December 2015 \$	Consolidated 30 June 2015 \$
Share based payments reserve (note 8(a))	1,689,375	2,106,668
Foreign exchange reserve	(2,175,974)	(2,464,875)
	(486,599)	(358,207)

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015
(Continued)



8. RESERVES (Continued)

(a) Movements in Options and Performance Rights During the Six Month Period ended 31 December 2015:

Date	Details	Number of Incentive Options	Number of Performance Rights	\$
1 Jul 15	Opening Balance	15,450,000	2,776,000	2,106,668
21 Sep 15	Expiry of \$0.41 incentive options	(1,000,000)	-	(203,000)
31 Jul 15	Grant of performance rights	-	4,804,000	-
22 Dec 15	Exercise of \$0.475 incentive options	(500,000)	-	(117,500)
22 Dec 15	Expiry of \$0.475 incentive options	(1,250,000)	-	(258,500)
23 Dec 15	Conversion of performance rights	-	(830,000)	(290,500)
Jul 15 to Dec 15	Share-based payments expense	-	-	452,207
31 Dec 15	Closing Balance	12,700,000	6,750,000	1,689,375

- On 31 July 2015, shareholders approved to vary the terms of 2,776,000 existing performance rights on issue at the time by extending the milestone and expiry dates by 24 months.

9. CONTINGENT LIABILITIES AND COMMITMENTS

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

10. DIVIDENDS PAID OR PROVIDED FOR

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

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

12. SUBSEQUENT EVENTS AFTER BALANCE DATE

- (i) On 7 January 2016, the Company announced an updated MRE at the Retortillo deposit which resulted in a 15% increase in grade;
- (ii) On 27 January 2016, the Company announced the results from three holes drilled from surface through the Zona 7 deposit which reported grades up to eighteen times higher than the average grade of the resource; and
- (iii) On 12 February 2016, the Company issued 2,905,000 performance rights to key employees and consultants that were subject to various vesting conditions and expiry dates between 30 June 2017 and 31 December 2019. The Company also issued 150,000 unlisted options exercisable at £0.25 each on or before 30 June 2018, 150,000 unlisted options exercisable at £0.30 each on or before 30 June 2018 and 200,000 unlisted options exercisable at £0.40 each on or before 30 June 2018.

Other than as disclosed above or in this report, at the date of this report there were no significant events occurring after balance date requiring disclosure.

Auditor's independence declaration to the Directors of Berkeley Energia Limited

As lead auditor for the review of Berkeley Energia Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Berkeley Energia Limited and the entities it controlled during the financial period.



Ernst & Young



G H Meyerowitz
Partner
11 March 2016

To the members of Berkeley Energia Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Berkeley Energia Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Berkeley Energia Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Berkeley Energia Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



GH Meyerowitz
Partner
Perth
11 March 2016