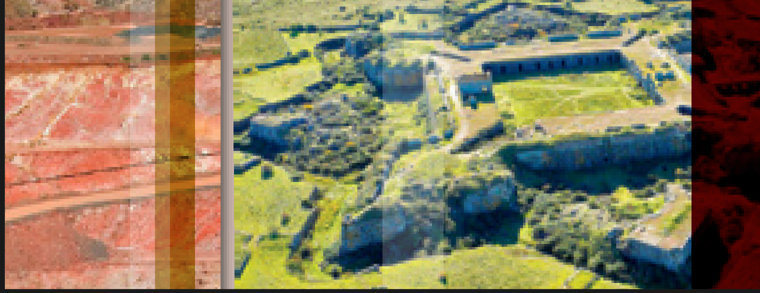
Berkeley
Resources Ltd

ABN 40 052 468 569

2009 ANNUAL REPORT



CONTENTS

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CHAIRMAN'S LETTER TO SHAREHOLDERS

The year to 30 June 2009 was again very productive for Berkeley, with substantial progress made towards our objective of becoming the next European uranium producer.

In July 2008, Berkeley was selected by the Spanish State uranium company, ENUSA, as its partner to conduct a Feasibility Study on, and ultimately develop that company's uranium mining assets in Salamanca Province in conjunction with our own assets. Berkeley will have the right to acquire up to 90% of ENUSA's uranium mining and exploration assets, including a number of extensively explored State Reserve licences and also a uranium processing plant previously permitted to produce 950t pa of U_3O_8.

Berkeley and ENUSA agreed the terms of a Co-operation Agreement in December 2008, and following approval from shareholders and the Spanish Council of Ministers, in May 2009 Berkeley paid a €5 million deposit, enabling us to commence the Feasibility Study on what is now known as the Salamanca Uranium Project.

The Salamanca Uranium Project, which incorporates the Spanish State Reserves as well as some of Berkeley's own Salamanca licences, has a number of identified uranium deposits, including inferred and indicated JORC compliant resources, significant exploration targets based on historical information and substantial exploration upside. Berkeley's right to use the Quercus Uranium Processing Plant (along with associated infrastructure, in its current state) has the potential to save Berkeley significant upfront capital costs upon the decision to proceed to mining.

Spain has no prohibitions on uranium mining, good mining infrastructure, skills and power, a reliable legal and mining title jurisdiction and a local electricity market which is 18% nuclear dependent.

Berkeley is committed to aggressively pursuing the ongoing exploration, appraisal and potential development of this outstanding uranium Project in order to fulfill its strategic objective of becoming the next European uranium producer in the near-term.

Whilst the Company's immediate focus is on the Feasibility Study at the Salamanca Uranium Project, Berkeley will continue to assess the outstanding exploration potential of its other Spanish uranium projects. During the year, the Berkeley defined a maiden resource of 9.2m lbs at the Gambuta Project, with strong potential to add further resources.

Berkeley is fully funded for its Feasibility Study commitments and is well placed to build on the outstanding foundations it has established to date.

Once again, thank you to our shareholders, my fellow Directors and all of Berkeley's employees and partners for their support in the past year.

On a final note, I would like to draw your attention to the Berkeley's new website which has been upgraded and expanded to provide a more current and comprehensive source of information for our shareholders. If you have not already viewed the new website, I encourage you to do so at: www.berkeleyresources.com.au

Dr Robert Hawley CBE
Chairman

"Environmental responsibility, radiological protection and community awareness, engagement and support, are paramount considerations for the success of Berkeley's Salamanca Uranium Project."

OPERATIONS REVIEW

ENUSA AGREEMENT

It has been Berkeley's objective since its initial entry into Spain in 2005 to combine our own assets in Salamanca with the very complementary assets owned by the State uranium company, ENUSA. Further details of these assets are set out below but they essentially comprise a number of State Reserve mining leases and the Quercus uranium processing plant. These assets were the core of ENUSA's uranium mining operation which produced 12.5m lbs of uranium from 1974 until closure in 2000, due to very low uranium prices.

After a long period of discussions, ENUSA initiated a public tender for these assets in early 2008. In July 2008 Berkeley was chosen as the preferred tenderer and a Co-operation Agreement was executed in December 2008 to give effect to the tender submitted.

The main terms of the Co-operation Agreement are:

1. The Co-operation Agreement was submitted to the Spanish Council of Ministers for approval, validating the acquisition by Berkeley of an interest in State assets. Approval was received in April 2009.

2. After receipt of the Council of Ministers approval, on 26 May 2009 Berkeley paid ENUSA an initial deposit of €5m to acquire the database relating to the assets and commence the Feasibility Study.

3. The Feasibility Study will address mining within the ENUSA State Reserves for processing through the Quercus plant, in conjunction with Berkeley's own resources around Retortillo. The Study is expected to take 18 months to complete, with potential to extend the Study Period by 12 months if required.

4. Berkeley may then pay ENUSA a further €20m to acquire a 90% interest in a joint venture company owning the ENUSA assets. ENUSA will retain a 10% free carry in the joint venture.

5. ENUSA will retain a 2.5% royalty on production from the State Reserves.

6. ENUSA will also receive a lease fee for the Quercus plant, representing 2.5% of the value of uranium produced through the Quercus plant, regardless of source.

7. Berkeley will pay 50% of the maintenance costs of the plant over the Feasibility Study period, up to €250,000pa.

8. The Joint Venture company will assume environmental and rehabilitation liabilities only for new mining areas and plant additions as well as its proportionate share of the overall costs of the existing Quercus plant, including the tailings dam and heap leach pads.

The Co-operation Agreement sets out the main terms under which the Feasibility Study and any subsequent Mining Joint Venture will proceed. A new Mining Joint Venture reflecting these terms will be required in the event that Berkeley opts to proceed under item 4 above.

SHARE PLACEMENT AND RIGHTS ISSUE

In order to ensure the Company had funding in place to pay the ENUSA deposit and complete the Feasibility Study, two share issues were completed in the June quarter of 2009:

- A placement of shares and options to existing and new institutional investors, raising $7m prior to costs; and

- A subsequent 1:20 rights issue of shares and options on the same terms raising a further $2.94m prior to costs.

As a result of the share issues, Berkeley had cash and short terms assets (mostly a substantial VAT refund due) totaling approximately $13m, which on present estimations should fund Berkeley's budgeted expenditure for the feasibility study.

OPERATIONS

Berkeley had an extremely busy year in the field starting with the completion of a number of drilling programs on it's wholly owned prospects in Salamanca and Caceres, followed by commencement of the Feasibility Study on the Salamanca Uranium Project.

Early in the year, a 36 hole program was completed by Berkeley at the Gambuta deposit in Caceres Province. A maiden JORC inferred resource was estimated at 11.29mt of ore at a U_3O_8 grade of 371 ppm for 9.23mlbs of U_3O_8 at a 200ppm cutoff. A subsequent 7 holes were completed to test the potential North West extension of the deposit and these indicate a substantial thickening of tertiary cover in this direction.

In Salamanca Province, exploration drilling was completed at the Caridad and Zona 7 prospects and a new drilling campaign was undertaken at the historic mining area at Cristina, with encouraging results. In addition seven diamond holes were drilled at the Retortillo deposit to provide representative samples of mineralization for metallurgical test work.

A detailed review of the Company's extensive exploration tenements was completed with the aim of prioritising future exploration and rationalising holding costs. It resulted in a reduction of about 40% by area with the number of granted licenses and licenses under application being reduced from 71 to 52, totalling 296,162 hectares. This rationalisation process included ground radiometric screening of extensive areas with little or no historic data and geological assessment of resulting anomalies. As a result some anomalies resulting from sources other than uranium mineralisation were downgraded and the areas relinquished. This work also identified some very significant prospects and enhanced others.

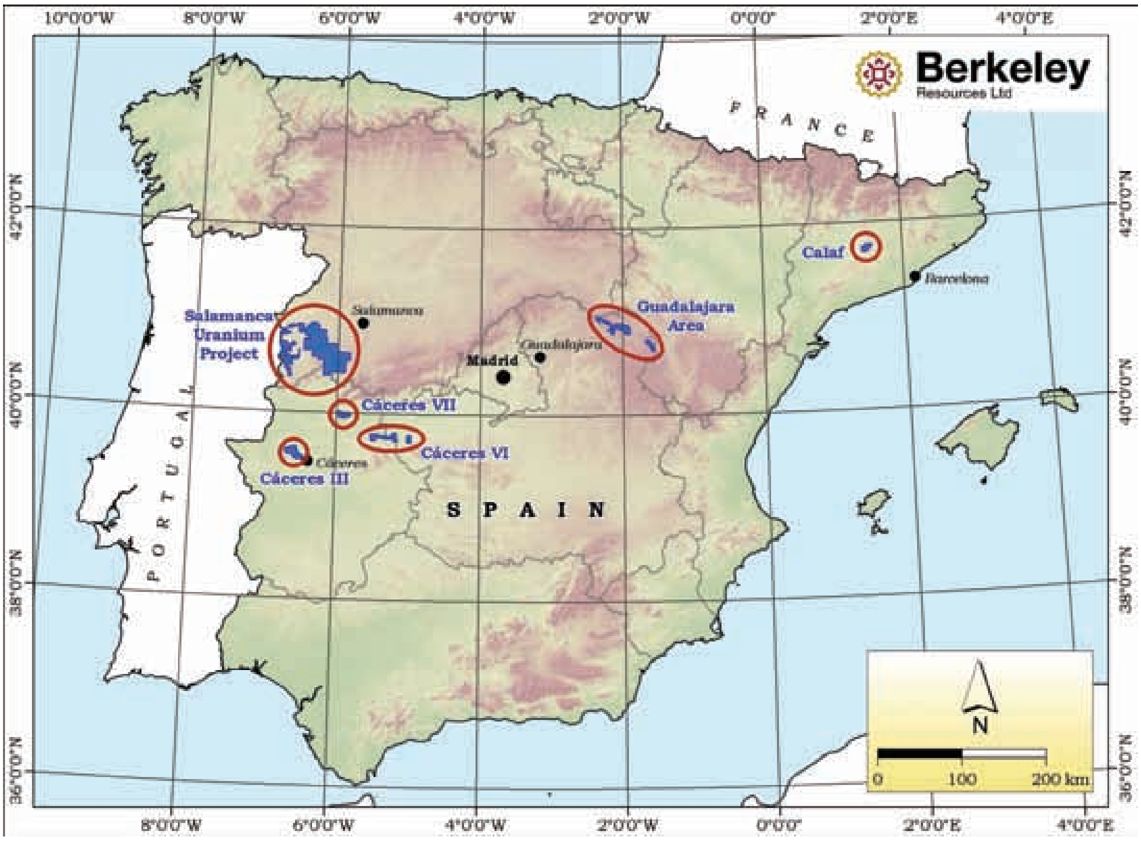

Figure 1 – Project locations

In July 2008, Berkeley was chosen by ENUSA as its partner to conduct a feasibility study upon and ultimately develop ENUSA's uranium assets in Salamanca province. Approval was given by the Spanish Council of Ministers in April 2009 and Berkeley paid a deposit of €5m and commenced acquisition of the historical database's in May.

OPERATIONS REVIEW

ENUSA has previously discovered six uranium deposits within its State Reserves in Salamanca, however mining was limited to the Mina Fe deposit and to shallow mineralisation in the Mina D deposit.

Berkeley's feasibility study process will be focussed initially on the deposits adjacent to Mina Fe (Sageras-Zona M, and Mina D) and the Alameda deposits, and will also investigate opportunities to incorporate Berkeley's existing resources in the Retortillo area.

The deposits adjacent to Mina Fe are located within close proximity to the Quercus plant and are essentially part of the Mina Fe mineralised system. The Alameda deposits are located 12km to the west of the Quercus plant and have not been explored as extensively as those at Mina Fe.

Salamanca Uranium Project highlights to date:

- High grade residual resources identified at Mina D below the historically mined pits.
- Preliminary work has confirmed historical ENUSA exploration data.
- Sageras Deposit only drilled to 70m below surface, potentially still open at depth.
- Potential radiometric anomaly identified to the West of Sageras-Zona M.
- Potential remnant resources identified in Mina Fe East.
- Preliminary geological modelling indicates orebodies are generally flat lying and near to surface with corresponding low stripping ratios.

Further details of the main projects are set out below.

SALAMANCA URANIUM PROJECT

The Salamanca Uranium Project incorporates the Mina Fe deposits (Sageras-Zona M, and Mina D) and the nearby Quercus Plant, as well as the more distant Alameda and the Retortillo deposits (see Figure 2). The feasibility study process focused initially on mining the Mina Fe deposits for processing through the Quercus Plant utilising heap leaching or dynamic leaching, or a combination of the two. The study also addresses the potential for subsequently sourcing additional feed for the plant from the Alameda and Retortillo deposits.

Berkeley commenced an initial scoping study of the Project on 26 May 2009, with the objective of completing a feasibility study within 18 months.

Initial work focussed on assessment of the scope and quality of the historical data and its potential to contribute to the feasibility study process, particularly in mining and processing. A new wholly owned Spanish holding company – Berkeley Minera Espana SA (BME) - has been established to manage the Project and a number of international consulting companies have been engaged to assist. They include:

- AMC Consultants – resource modelling, mining and geotechnical
- Aker Solutions – processing and metallurgy
- Kappes Cassiday – heap leaching
- Golder Associates – environmental and permitting
- Ingemisa SA – radiological protection.

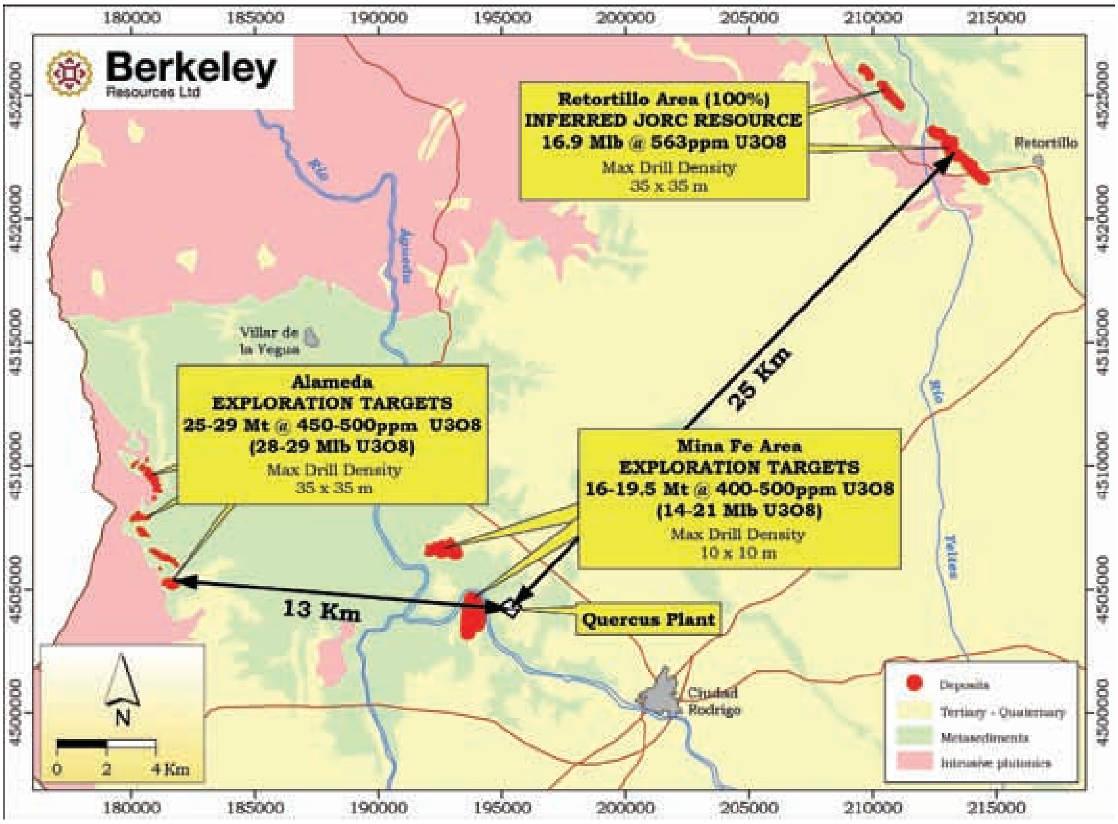

Figure 2 – Salamanca Uranium Project

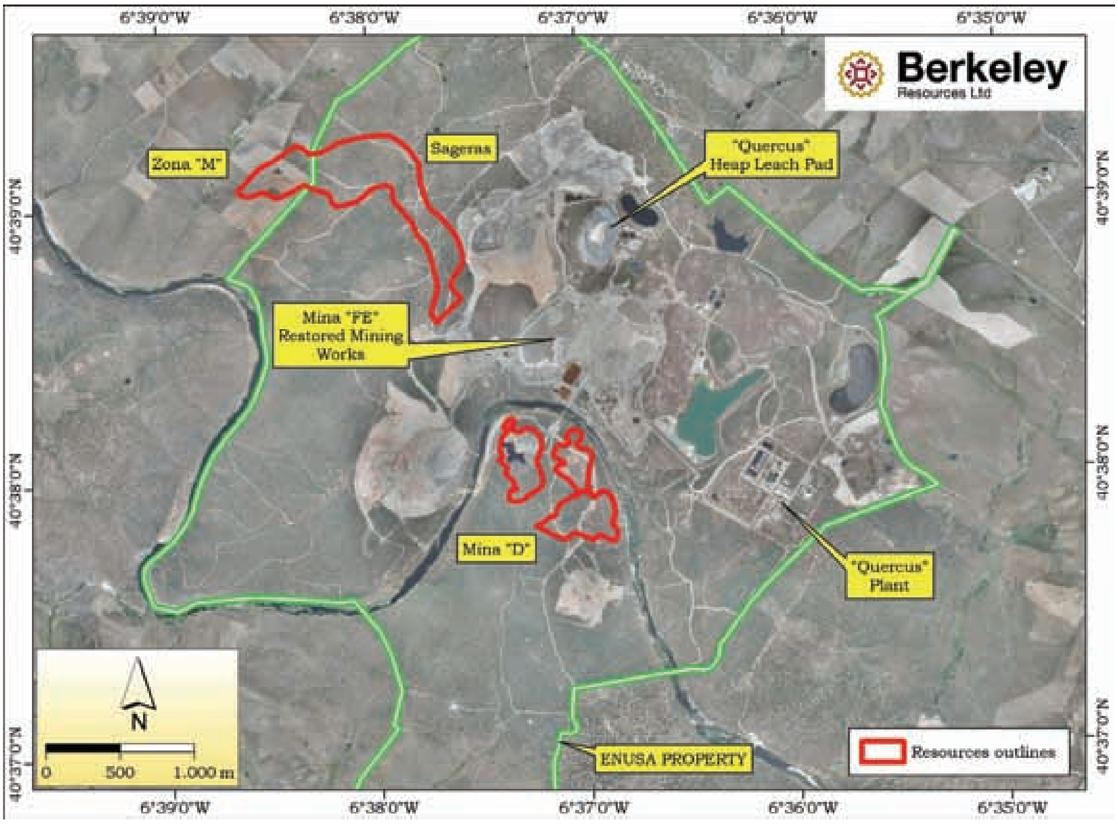

Figure 3 – Salamanca Uranium Project Mina Fe Area

OPERATIONS REVIEW

Environmental Studies, Radiological Protection and Community Awareness

Environmental responsibility, radiological protection and community awareness, engagement and support, are paramount considerations for the success of Berkeley's Salamanca Uranium Project.

Environmental and Radiological Protection studies, which comprise a vital component of the Feasibility Study, will be been undertaken by Golder Associates and Ingemisa SA.

Initial work included an initial site reconnaissance with ENUSA personnel, involving the Quercus Plant, tailings dam, restored areas of Mine Fe and the Sageras area. A review of the historical Environmental, Radiological information was initiated, including Ecological and Risk Assessment studies, Hydrological Studies, Restoration Projects, Hydrogeological Monitoring, Quality Assurance Program, and the Operational Program of Monitoring and Control of Water (superficial and underground).

A community engagement program was initiated, interacting with local Mayors, land owners and stake holders.

Geology

Berkeley gained access to ENUSA's data in early June and substantial progress has been made to verify the historical information as follows:

- 24GB (1,500 files) have been scanned in the ENUSA archive at Ciudad Rodrigo. The scanned data predominantly consists of historical reports, maps and drill logs. The most relevant information from these scans is being transformed into digital format and incorporated into Berkeley's data base.
- ENUSA have provided digital data including maps and drill hole data as well as resource models data for the main deposits under investigation.
- Ground radiometrics have been completed over the Sageras-Zona M, Mina D and Alameda deposits.
- Oblique aerial photography has been flown over most of the near mine area to provide a reference surface.
- A large number of drill collars have been surveyed at all of the deposits together with a number of tracks, buildings and other surface features.
- The grid transformation parameters from the ENUSA local coordinates to the national UTM system have been calculated.

- Down hole radiometric logging of open drill holes at Sageras and Mina D is ongoing with the BME gamma probe. Comparisons to date indicate very good agreement with the ENUSA data. The principal difference is in anomaly amplitudes, which reflects the difference in gamma probe tools used by ENUSA and Berkeley.
- ENUSA's extensive diamond drill core facility has been cleaned up and the drill core has been identified and indexed. A total of 419 measurements were taken using the Archimedes method and the data density is considered good.
- Approximately 60% of the roto percussion drill holes at Sageras and Mina D were originally surveyed with a down hole gyroscope and some show significant deviations at relatively shallow depths (50 to 70 metres). A selection of 12 holes, including deviated and non-deviated holes, were re-surveyed by Berkeley and these confirmed the hole deviations. A new program to have all the holes surveyed is planned.
- Geological mapping is ongoing in the Sageras, Mina D and Alameda areas.
- A provisional drilling program has been planned for the Sageras-Zona M, Mina D and Alameda South deposits, to commence in October 2009.
- An extensive review of all the ENUSA reports for each deposit was completed and a detailed report of the chronology of exploration by JEN and ENUSA has been compiled.
- Digital sample data provided by ENUSA have been verified from the scanned drill hole logs.
- A detailed review of the resource models provided by ENUSA has been completed.

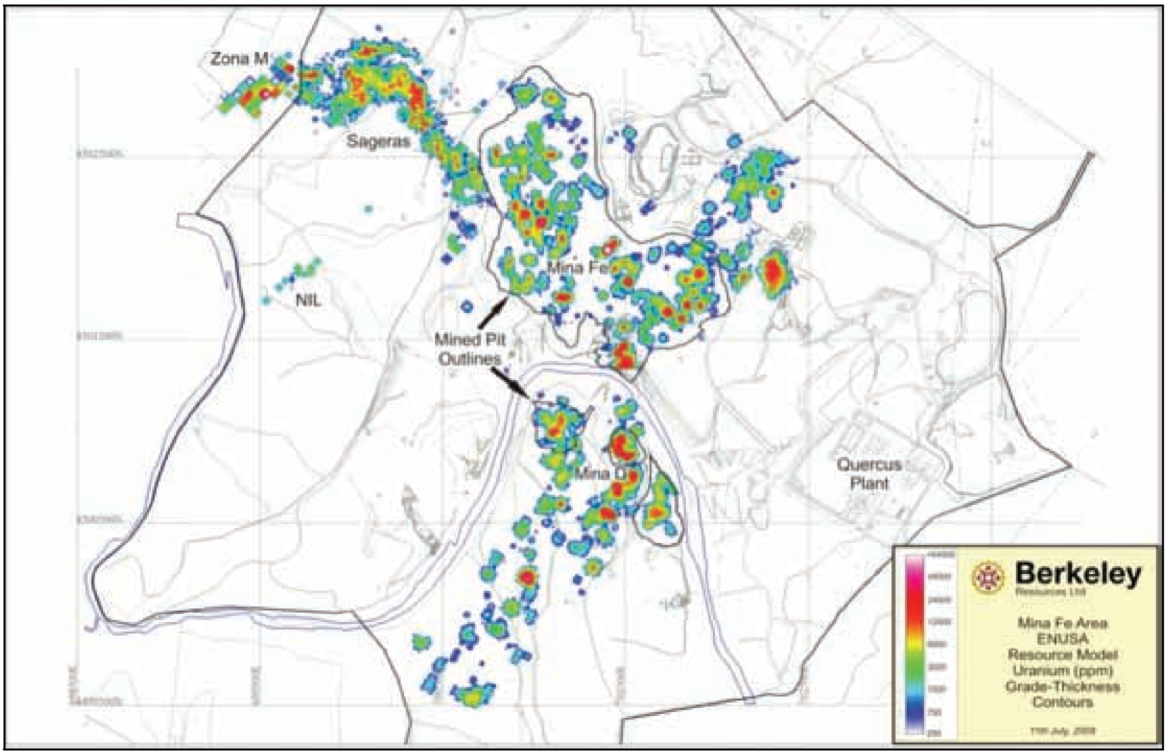

Figure 4 – Mina Fe Area Deposits: grade thickness contours and mined pit outlines.

The Sageras-Zona M Deposit

The Sageras-Zona M deposit is interpreted as the North West extension of Mina Fe and is located within 3 km of the Quercus processing plant (see Figure 3). Sageras is the part of the deposit located inside ENUSA owned land (see Figures 4 & 5) and Zona M is located outside.

OPERATIONS REVIEW

The mineralisation is hosted in Palaeozoic phyllites and metasediments and occurs at or close to the surface. It extends for a distance of about 1.5 km in a north-westerly direction from the restored Mina Fe open pit and occurs as a sub-horizontal body of continuous and semi continuous mineralisation ranging from 10m to 50m in thickness and from surface to 100 m deep. It is open at depth and along the north eastern margin in several areas (see Figure 6). The width varies from about 150m in the south east up to 300m in the North West. Surface topography is open, relatively flat and well suited for shallow open pit mining.

The deposit appears to be divided in the middle by a NNE structure that offsets the mineralisation and marks a distinct change in width and orientation. This structural zone has been located in the field and it appears to coincide with a fold axis and some displacement of lithologies.

ENUSA have provided Berkeley with a digital drill hole database for Sageras-Zona M containing 2,140 drill holes. This database was devoid of critical metadata for the holes, which has been captured by Berkeley employees from scanned reports, maps and drill logs. Of the 2,141 known holes, 140 are diamond and 2,001 are roto-percussion.

The majority of the Sageras deposit has been drilled out on a 10m x 10m drill hole spacing by roto-percussion, whereas Zona M has been drilled out on a 50m x 50m spacing using diamond drilling. A complete set of 10 metre cross sections have been generated and geological interpretation has commenced. The ENUSA resource model is also being reviewed and a plot of grade-thickness contours for blocks greater than 200ppm is presented in Figure 5 below together with a typical section through the middle of the Sageras deposit showing grade contours in Figure 6.

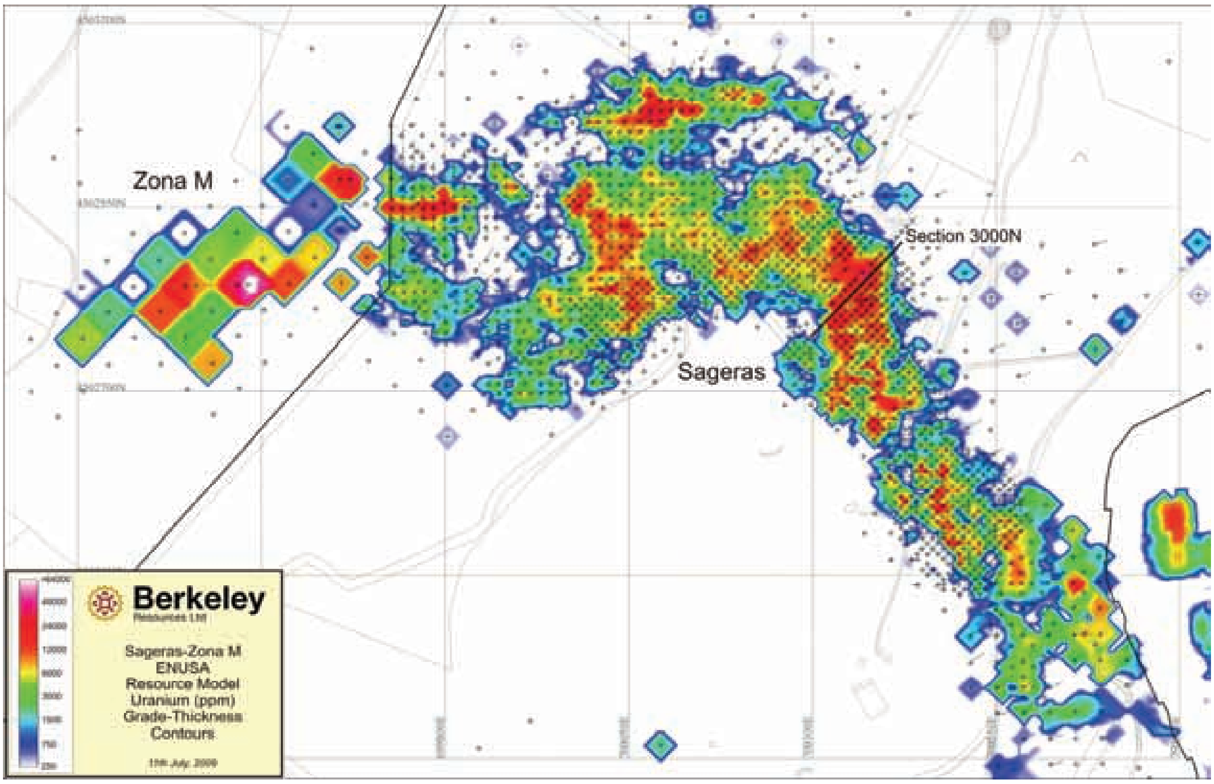

Figure 5 – Sageras-Zona M Deposit

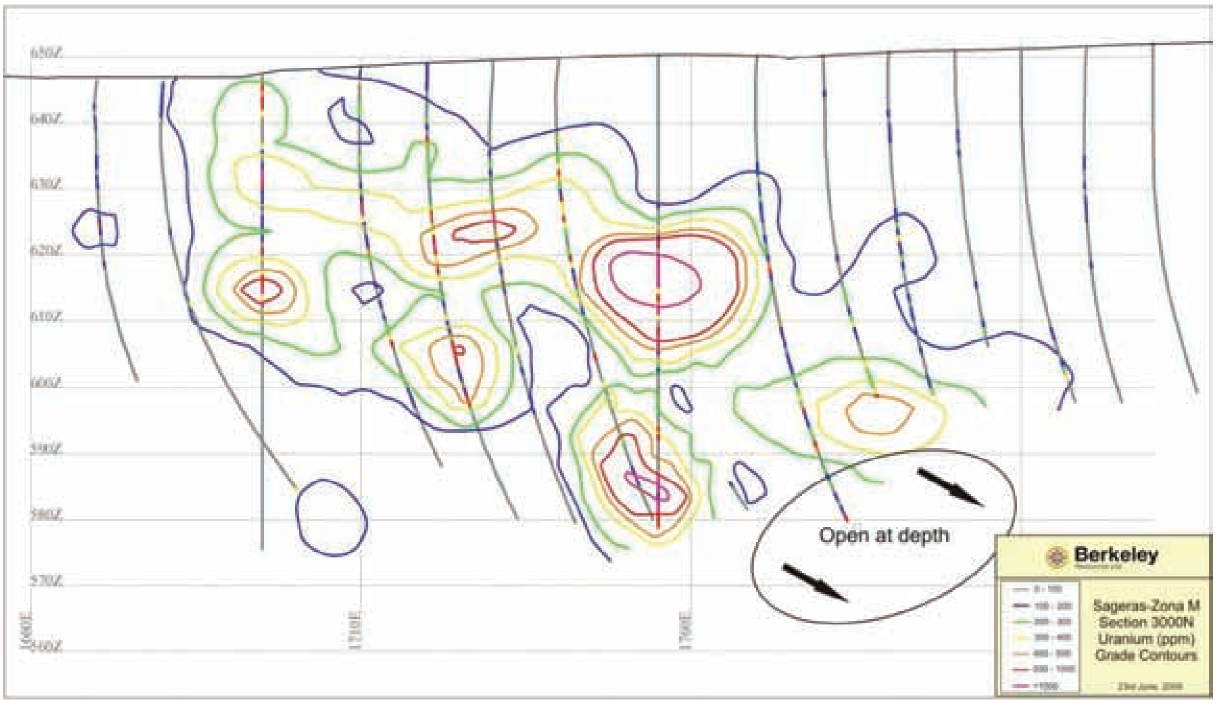

Figure 6 – Sageras-Zona M Cross Section 3000N

The Mina D Deposit

The Mina D deposit is separated from Mina Fe by the Agueda River (see Figure 4) and was partially mined in 3 shallow open pits at its northern end by ENUSA in the 1990's. These pits are now restored.

The intensely drilled northern portion of the deposit appears to be separated into two distinct zones that strike NNW and dip at a low angle to the west. The mineralisation appears to plunge gently southwards becoming progressively deeper in this direction beneath Tertiary cover.

ENUSA has provided a digital drill hole data set for Mina D consisting of 3,020 drill holes. This data has been supplemented with information entered from scanned reports, maps and drill logs. Of the 3,020 known holes, 406 are diamond and 2,614 are roto-percussion. The diamond drill holes have been drilled on a 50m x 50m drill pattern and then infilled on a 10m x 10m pattern by roto-percussion in the northern part of the deposit.

Berkeley has also been supplied by ENUSA with a resource model for Mina D calculated by the University of Granada in 1991 (see Figure 7). A complete set of cross sections have been generated and geological interpretation has commenced.

Figure 8 shows a plot of the grade contours on section 1620N.

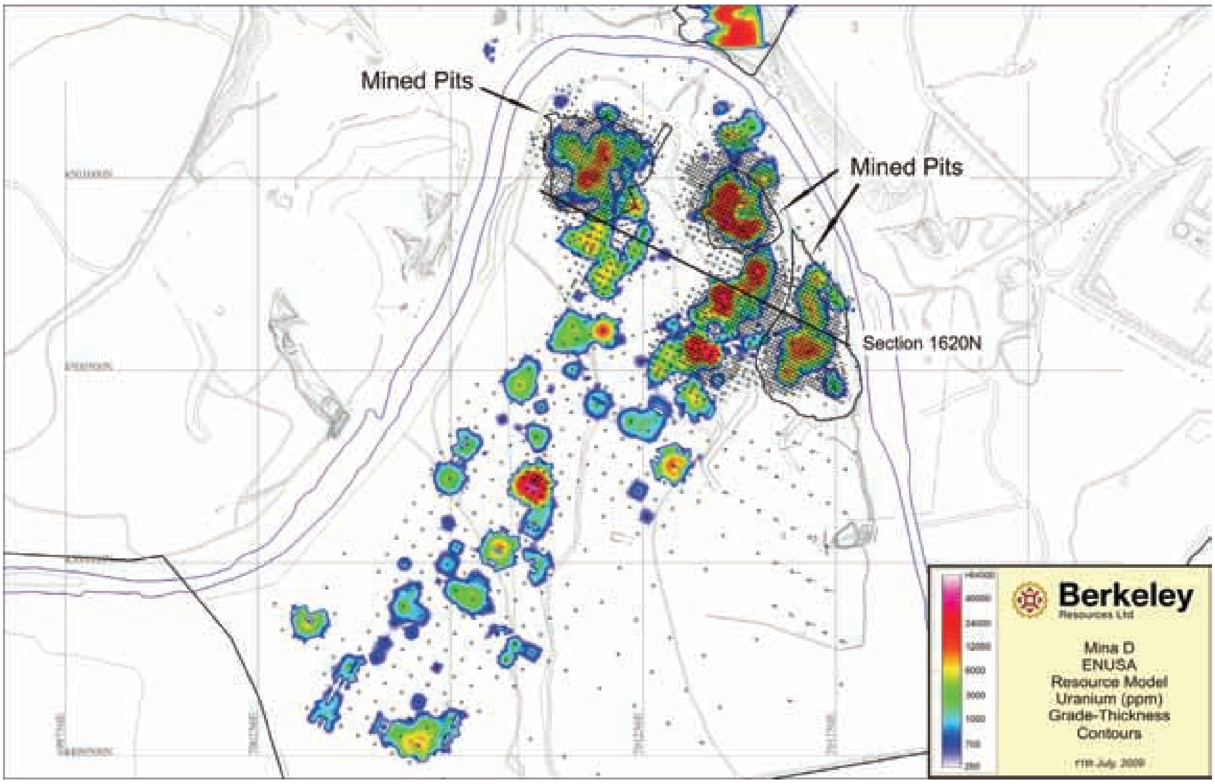

Figure 7 – Mina D Deposit

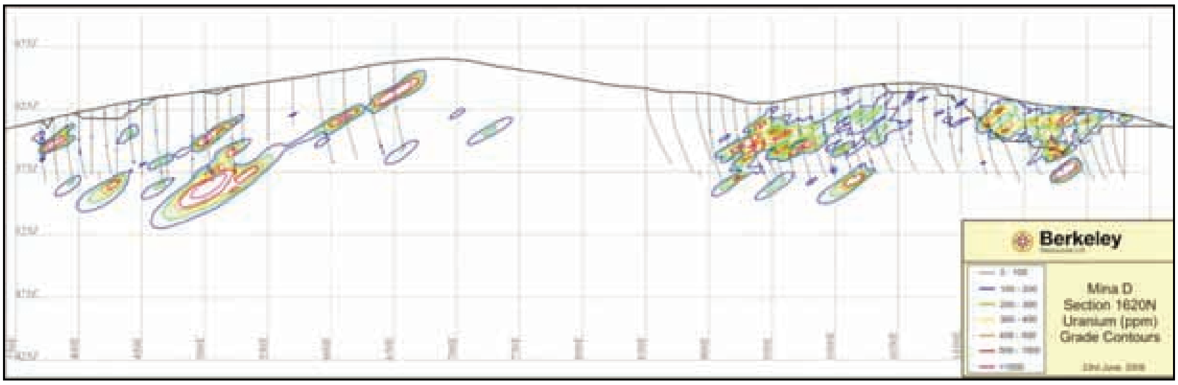

Figure 8 – Mina D Cross Section 1620N

The Alameda Deposits

There are two main deposits at Alameda - Alameda North and Alameda South. Both of which have additional exploration potential. Whilst their geology is similar to the Mina Fe deposits, the carbonaceous metasediment host rocks have been hornfelsed by nearby granite and are significantly harder. ENUSA data indicates that almost 75% of the contained resource is in the Alameda South deposit and this will be the main focus of Berkeley's work during the feasibility study process.

ENUSA provided a digital drill hole data set consisting of 407 diamond drill holes for the southern deposit and 274 diamond drill holes for the northern deposit. The deposits were drilled on a 50m x 50m pattern with infill centre holes effectively yielding a 35m x 35m pattern over the central part of the deposits. All of the uranium grades in the database appear to be chemical assays derived from the diamond drill core.

Alameda South shows good continuity of mineralisation, generally within 100m of surface and a resource model estimated by the University of Granada in 1991 has been provided by ENUSA and is currently being reviewed. A plot of the grade-thickness contours for blocks greater than 200ppm is presented in Figure 9.

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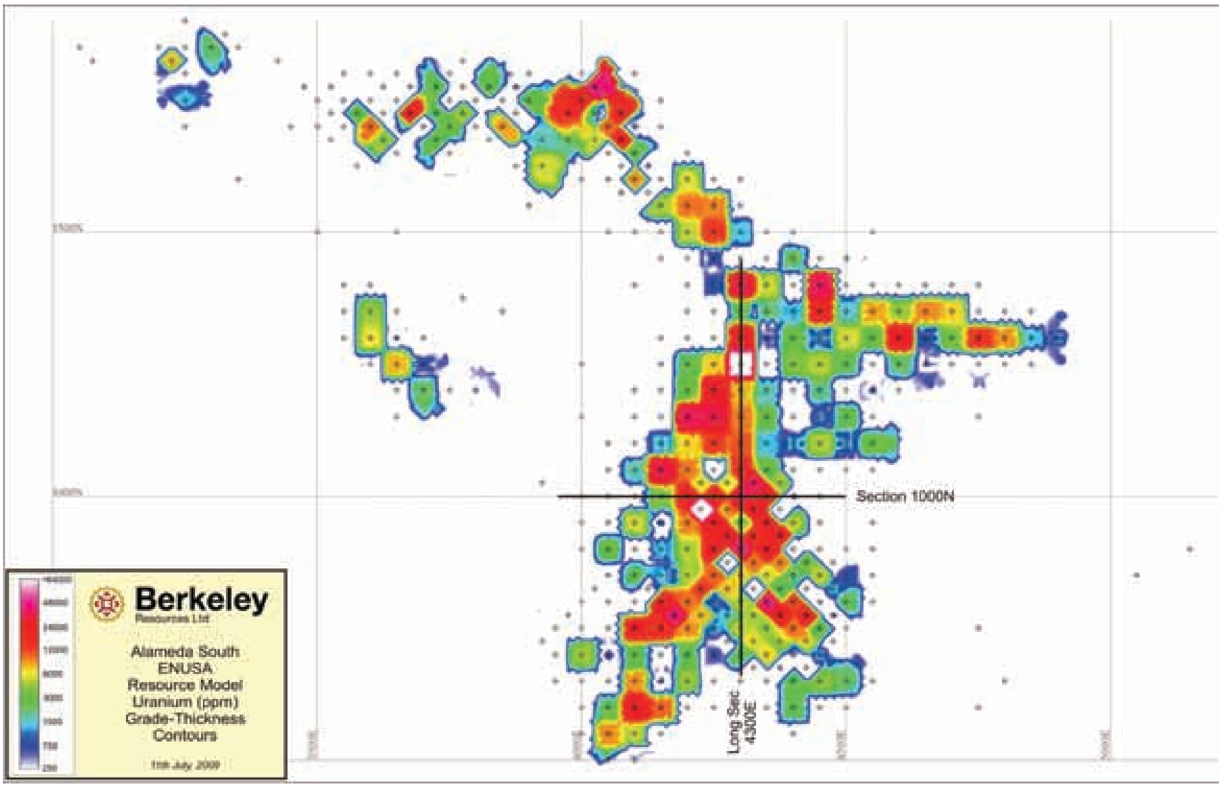

Figure 9 – Alameda South Plan

A cross section at 1000N and long section at 4300E for Alameda South are shown in Figures 10 and 11.

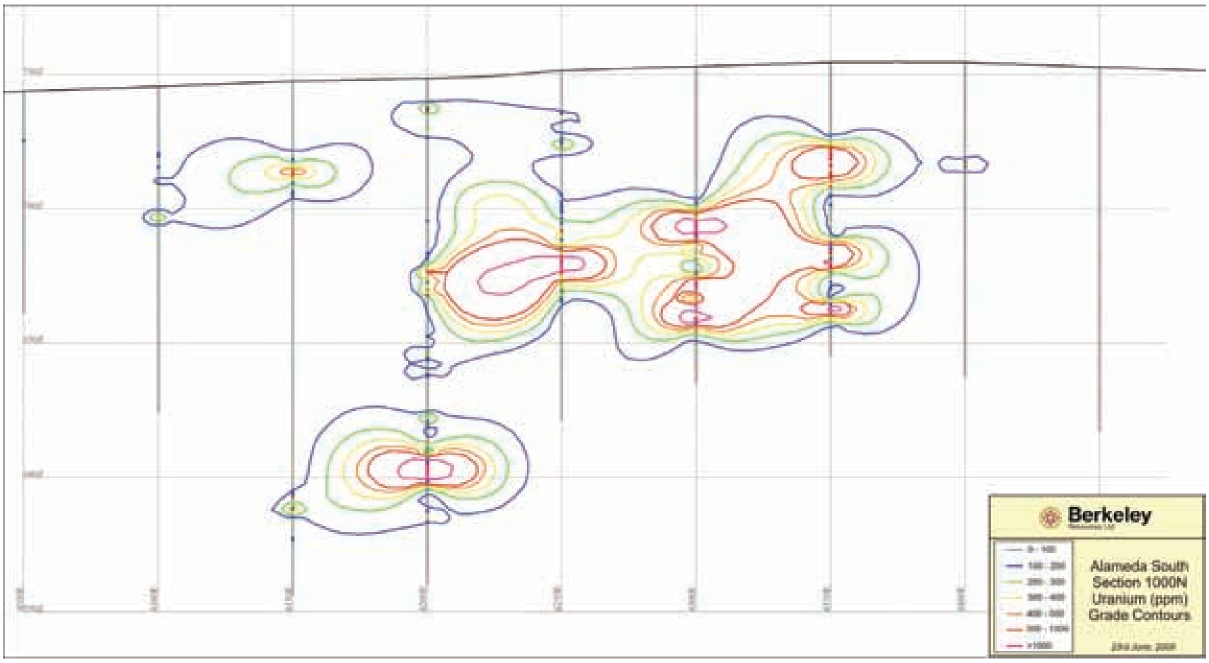

Figure 10 – Alameda South cross section 1000N

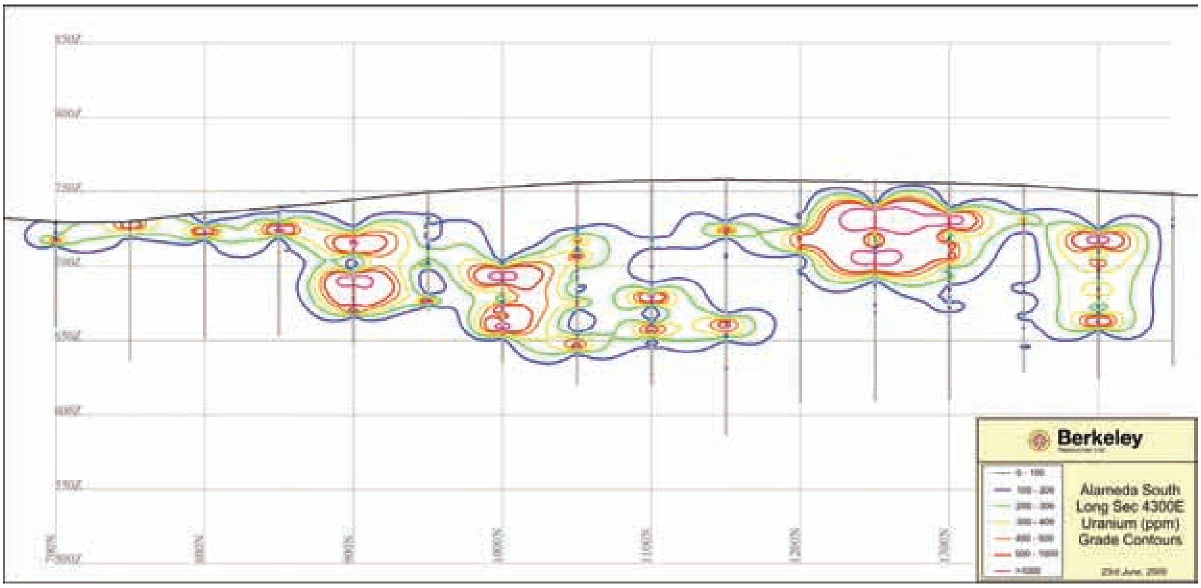

Figure 11 – Alameda South long section 4300E

Exploration Potential

As well as the deposits described above, ENUSA identified the Esperanza deposit and six other prospective areas through a combination of radiometrics and drilling: Marialba, Cuellar- Nil, Carpio, Gallegos, Barquilla and north of Zona M (see Figure 12). In addition, Berkeley's experience indicates the high prospectivity of extensive areas of favourable stratigraphy below Tertiary and recent cover, where radiometrics are ineffective.

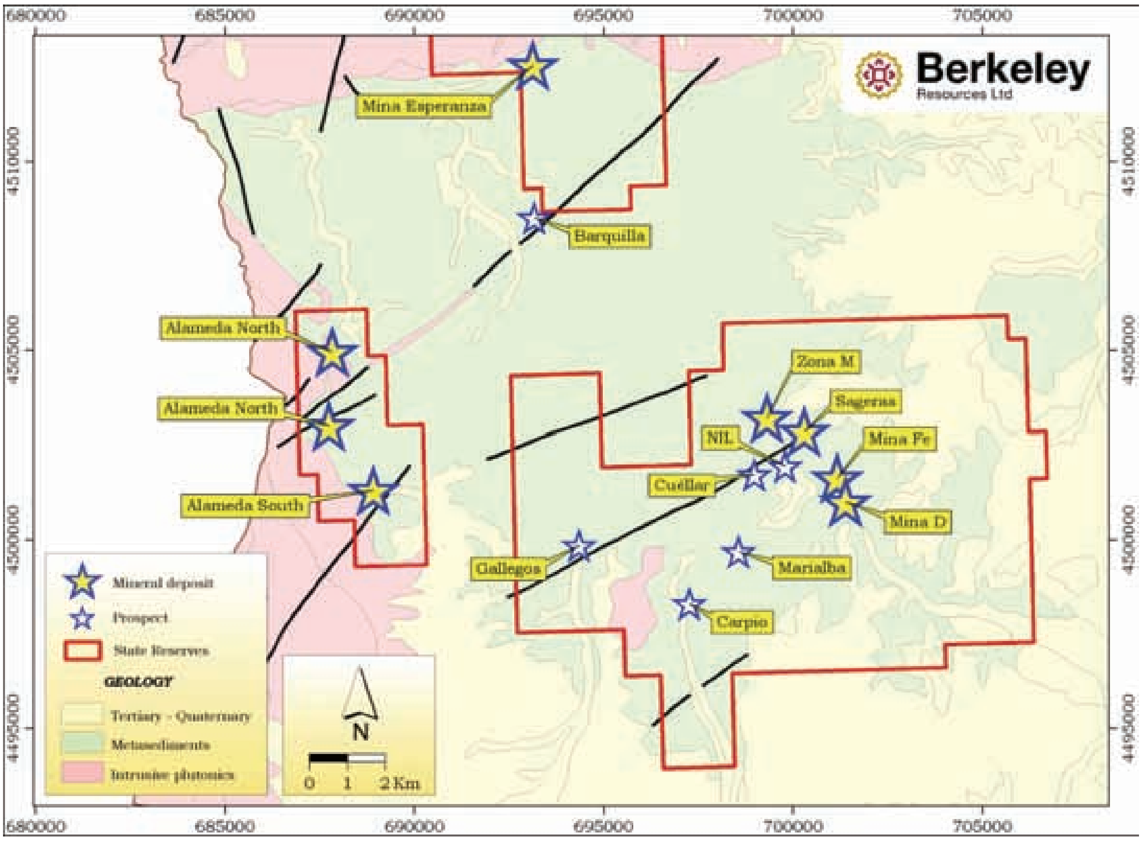

Figure 12 – Salamanca Geology & Prospect Locations

All of these prospects have been located since gaining access to the ENUSA data and are shown in Figure 12. Air-borne radiometric data flown by Berkeley in 2007 over the northern part of the project area has been combined with data flown by ENUSA in the late 1980's over the southern area. The radiometric anomalies identified are underlain by fertile basement metasediments and coincide with the prospects. The fact that all of these targets were known before the airborne surveys highlights the efficiency of early ground radiometric prospecting in locating outcropping uranium mineralisation.

Table 1 below offers a revised summary of the drilling activities on the prospects away from the main deposits. A full review of this information is in progress. Most noteworthy at this stage is almost 10,000m of drilling at Marialba, 4km south west of Fe, and the 32,000m drilled at Esperanza, 20km to the north of the Quercus plant.

Zone	Number of Drills	DDH	Roto-percussion	Total Meters	Start Date	End Date
Marialba	171	66	105	9,980	1966	1991
Carpio de Azaba	66	13	53	4,519	1967	1991
Gallegos	20	20	0	1,025	1967	1967
Cuellar	9	0	9	552	1991	1991
Esperanza	729	163	336	32,807	1965	1991

Table 1 – Drilling summary historic exploration prospects

Ground radiometric surveys undertaken by Berkeley during June have located a large radiometric anomaly west of Zona M which remains open to the North West (see Figure 13). This anomaly has been drilled in the past, as shown by the black dots on the map below. Some of these holes intersected mineralization, but the drill data must be compiled and reconciled with surface mapping and radiometrics before the remaining exploration potential can be clearly understood.

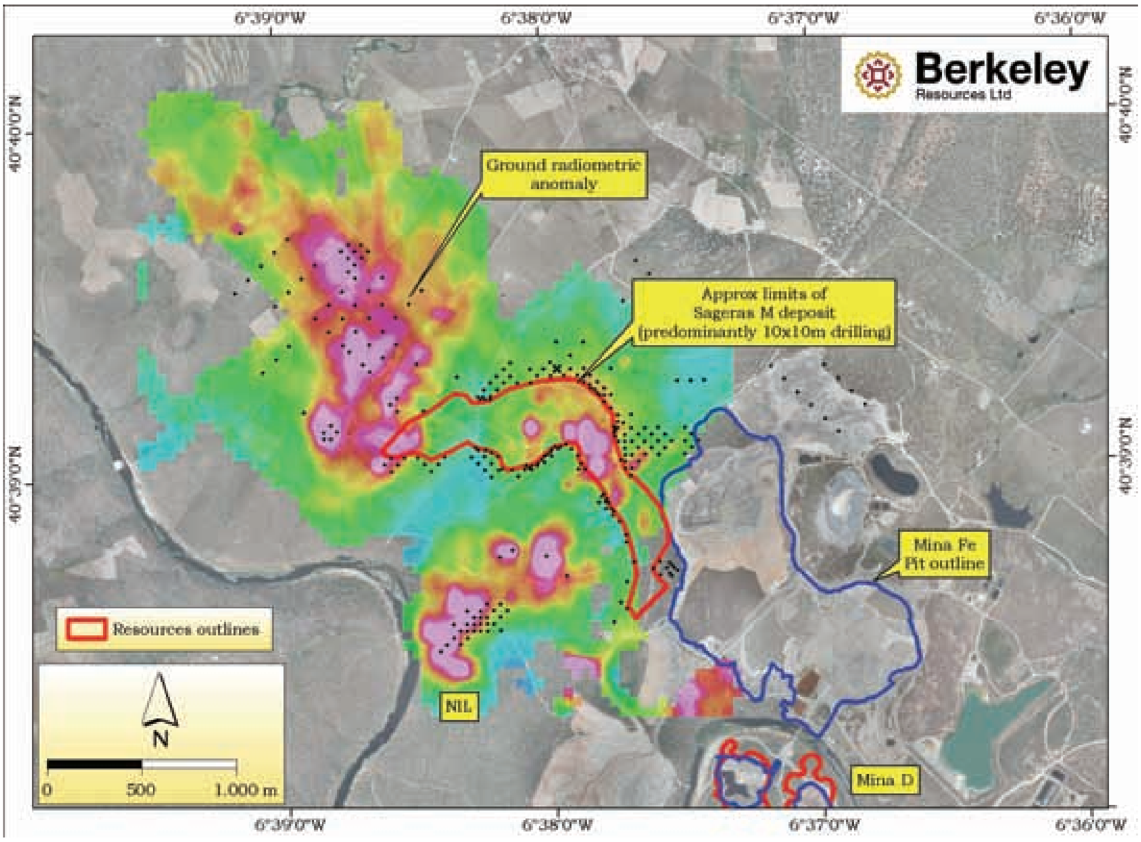

Figure 13 – Sageras-Zona M Ground Radiometrics

CACERES VI PROJECT – GAMBUTA

Following completion of the initial 36 hole RC and diamond drilling program in July 2008, and calculation of the maiden Gambuta inferred resource of 9.23 million pounds of U_30_8, RC drilling in October completed the most north-westerly drill traverse and tested the potential extensions to the NW. Whilst continuity of mineralization was established across the last drill traverse, the first extension traverse, 200m to the NW, revealed >90m of Tertiary sediments. This abrupt thickening of the Tertiary cover, from 10m in the previous traverse, indicates normal faulting with the NW block down.

The Gambuta deposit has potential as a “stand alone” heap leach operation, with uranium recovery from an operation at the Quercus plant. Therefore further drilling and metallurgical test work will follow progress of the Salamanca Uranium project.

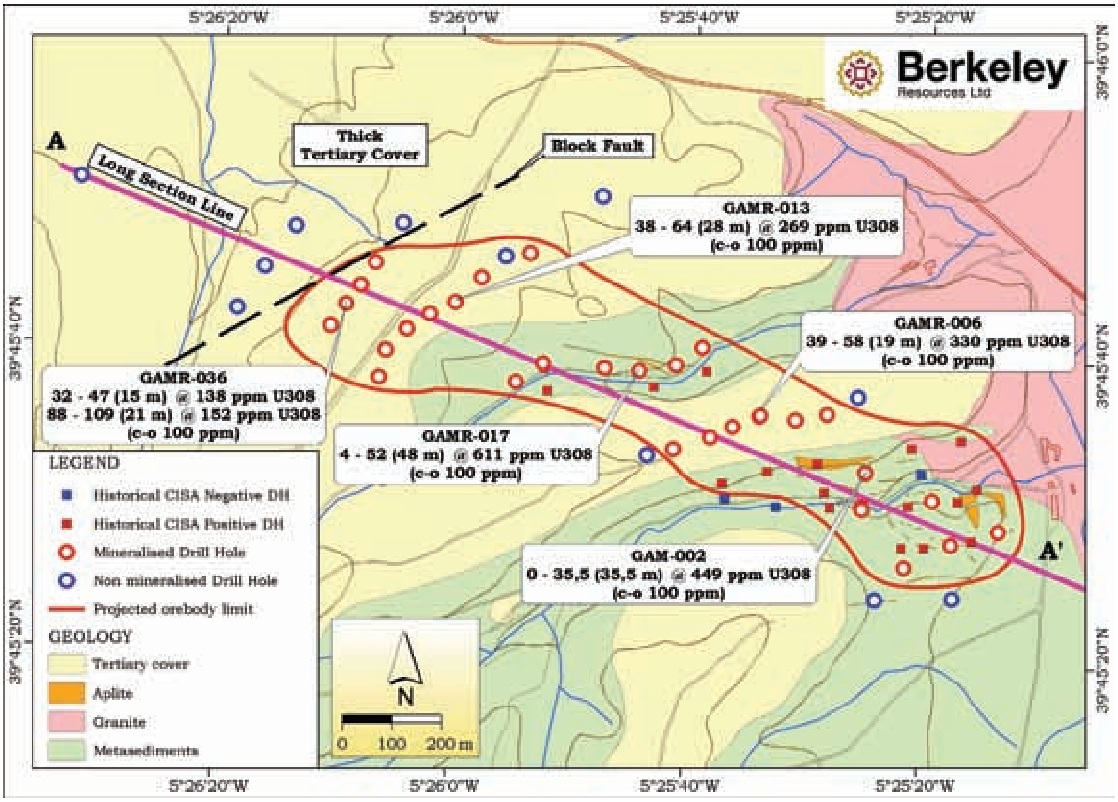

Figure 14 – Drilling at Gambuta

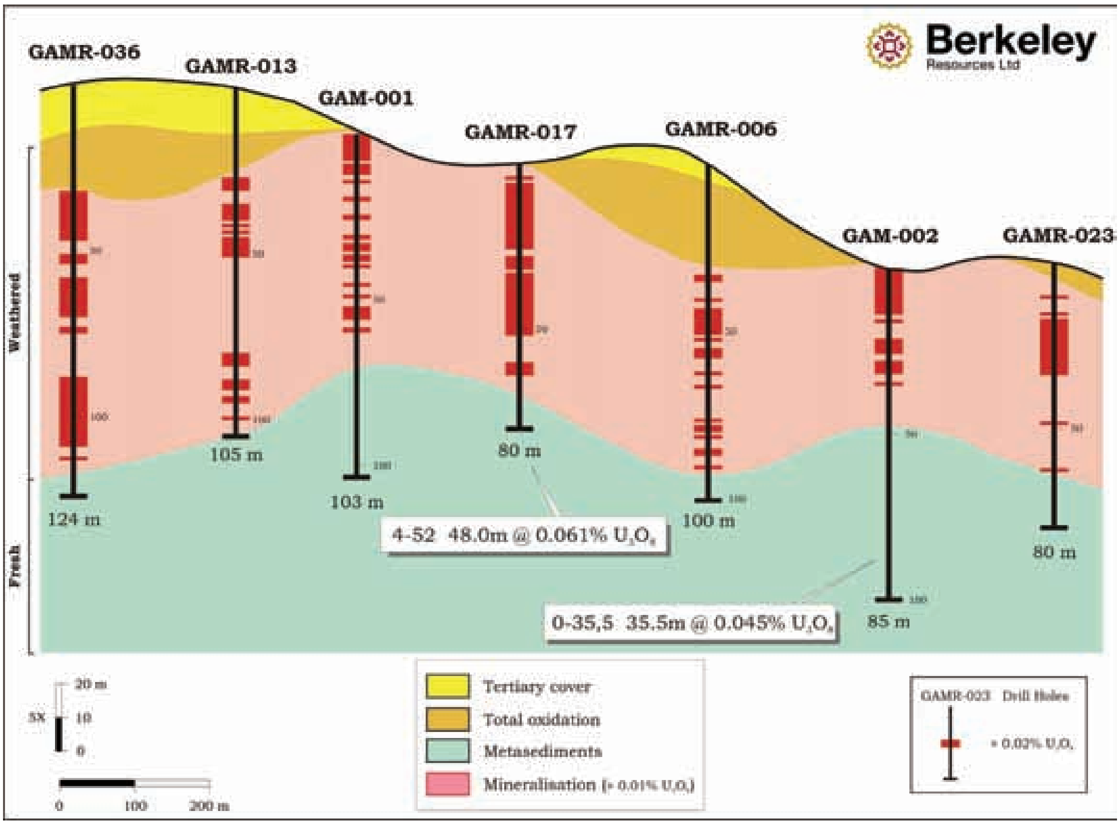

Figure 15 – Long Section NW Gambuta

METALLURGICAL AND PROCESSING

The review of historical metallurgical and processing data has been undertaken by Aker Solutions and Berkeley's internal consultant, with support from Golder Associates. Progress to date includes:

- Preliminary review of the current state of the installations.
- Review of the documentation made available by ENUSA:
  - Plant layout and equipment
  - Mass balances
  - Monthly /annual reports from the plant
  - Distribution of particulates size within the various parts of the process
  - Plant characteristics
  - Substation characteristics
  - Production and consumption data for the static (heap) leaching circuit
  - Sampling results within different sections of the process

Metallurgical Testwork: Retortillo

In December 2008 two representative samples of mineralization (oxidized top composite sample and transition/fresh bottom composite sample) from the Retortillo deposit, totaling 800kg, were sent to SGS Lakeside Oretest Pty Ltd in Perth, with the aim of determining a variety of work indexes, and assessing the potential for establishing a heap leaching operation. In addition, 84 individual core samples of mineralization and host rock, in the size range 20-50mm were sent to Ultrasort Pty Ltd in Australia to determine the potential for radiometric sorting of Retortillo mineralisation.

Comminution Testwork were encouraging and indicate that the Retortillo mineralisation requires relatively low energy to crush and grind and will be amenable to a standard crushing and grinding circuit.

Agitated leach and bottle roll tests with acid consumptions ranging from 14-23kg/t for the "Top" composite samples indicated Uranium extractions in the range 95 -97%, whereas extraction from the "Bottom" composite samples ranged between 80 – 91% with acid consumption ranging from 16 – 26kg/t for the bottom composite.

Following the successful outcome of agglomeration and percolation tests a leach column was established for each composite. The 60 day leaching tests are based on 4m columns, 100mm in diameter, with each containing 60 kg of mineralization crushed to 80% passing 10mm.

Uranium extraction of 98% was achieved from the "Top" composite and 92% for the "bottom" composite with minimal slumping. Acid consumption varied from 22-23kg/t.

The 84 core samples were individually assessed for their radiometric characteristics on the Ultrasort test rig then returned to SGS in Perth for individual analysis for uranium. The combined results were then incorporated into the Ultrasort assessment model, which simulates the algorithm used by the radiometric sorters. Although there is significant scatter in the correlation between grade and radiometric response, which would result in some accept material being rejected and vice versa, the algorithm used in the model indicates good potential for upgrading with minimal losses of uranium to the waste stream. More detailed test work is justified.

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

DIRECTORS' REPORT

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 2009 ("Consolidated Entity" or "Group").

DIRECTORS

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

Dr Robert Hawley
Mr Matthew Syme
Mr Scott Yelland
Dr James Ross
Senor Jose Ramon Esteruelas
Mr Sean James
Mr Stephen Dattels – appointed 15 May 2009, resigned 14 September 2009

Unless otherwise disclosed, Directors held their office from 1 July 2008 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

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

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

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

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

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

Matthew Syme
Managing Director
Qualifications – B.Com, CA

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

Mr Syme was appointed a director of Berkeley Resources Limited on 27 August 2004. Mr Syme has not held any other directorships of listed companies in the last three years.

DIRECTORS' REPORT

CURRENT DIRECTORS AND OFFICERS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr Clint McGhie
Company Secretary
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 of Berkeley Resources Limited on 28 September 2007.

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

	2009	2008
The number of full time equivalent people employed by the Consolidated Entity at balance date	15	29

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2009 (2008: nil).

EARNINGS PER SHARE

	2009 Cents	2008 Cents
Basic loss per share	(9.47)	(6.80)
Diluted loss per share	(9.47)	(6.80)

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

	2009 $	2008 $
Loss of the Consolidated Entity before income tax expense	(10,013,948)	(8,797,137)
Income tax expense	-	-
Net loss	(10,013,948)	(8,797,137)
Net loss attributable to minority interest	4,742	1,792,681
Net loss attributable to members of Berkeley Resources Limited	(10,009,206)	(7,004,456)

DIRECTORS' REPORT

REVIEW OF OPERATIONS AND ACTIVITIES

The year to 30 June 2009 was productive for Berkeley, with significant progress made towards our objective of becoming a uranium producer in Spain.

Salamanca Uranium Project

In July 2008, Berkeley was chosen by the Spanish State uranium company, ENUSA Industrias Avanzadas S.A. ("ENUSA"), as its partner to conduct a Feasibility Study on and develop that company's uranium mining assets in the Salamanca Province. Under the terms of the Co-operation Agreement signed in January 2009, Berkeley will have the right to acquire up to 90% of ENUSA's uranium mining and exploration assets, which include a number of State Reserve permits and access to ENUSA's Quercus uranium processing plant, permitted to produce up to 950tpa of U_3O_8.

The State Reserves have been extensively explored by ENUSA with a number of deposits delineated and drilled out to varying degrees.

Berkeley's feasibility study process will focus initially on the Mina Fe area deposits (including Sageras-Zona M and Mina D) and the Alameda deposits, and will also investigate opportunities to incorporate Berkeley's existing resources in the Retortillo area.

The Mina Fe area deposits are located within close proximity to the Quercus plant and are essentially part of the Mina Fe mineralised system. The Alameda deposits are located 12km to the west of the Quercus plant and have not been explored as extensively as those at Mina Fe.

Berkeley commenced the feasibility study process for uranium mining at the Salamanca Uranium Project on 26 May 2009, with an objective of completing the study within 18 months. Initial work focussed on the assessment of the scope and quality of the historical data and its potential to contribute to the feasibility study process, particularly in mining and processing. Significant progress has been made since gaining access to ENUSA's historical data in early June 2009.

In addition to this activity, considerable effort was devoted to investigating the resource models provided by ENUSA for the main deposits. Based on ENUSA's historical work, Berkeley has established **exploration targets totaling 16–19.5mt at 400-500ppm (for 14– 21.5mlbs of U_3O_8) for the Mina Fe area deposits**, all of which are located in close proximity to the Quercus processing plant. The Mina Fe deposit was largely mined and the pit backfilled and rehabilitated, together with three shallow pits at Mina D.

In addition, Berkeley has previously established **exploration targets in the Alameda area of 25.5-29.0mt at grades ranging from 450-500ppm (approx 28-29m lbs of U_3O_8)**, based on ENUSA's historical calculations. No mining has occurred in the Alameda area.

The Mina Fe area and Alameda deposits have been extensively explored by ENUSA but do not presently have JORC compliant resources. Berkeley's targets are conceptual in nature and based on a review of the available data on the projects to date. As there has been insufficient exploration to define a JORC compliant Mineral Resource, it is uncertain whether further exploration will result in the determination of a Mineral Resource.

Berkeley has previously reported an **Inferred JORC Resource of 16.9mlb at an average grade of 563ppm U_3O_8 (200ppm cut-off), including Indicated JORC Resources of 4.8mlb at an average grade of 581ppm U_3O_8 (200ppm cut-off)** at its 100% owned Retortillo deposits. The feasibility study will address the potential for sourcing additional feed for the Quercus processing plant from the Retortillo deposit.

In addition to the deposits described above, Berkeley considers that there is considerable exploration potential within the State Reserves. ENUSA identified the Esperanza deposit and six other prospective areas through a combination of radiometrics and drilling: Marialba, Cuellar- Nil, Carpio, Gallegos, Barquilla and north of Zona M. In addition, Berkeley's experience indicates the high prospectivity of extensive areas of favourable stratigraphy below Tertiary and recent cover, where radiometrics are ineffective.

Under the Co-operation Agreement, Berkeley has the right to use the Quercus uranium processing plant, which has been on care and maintenance since 2003, along with its associated infrastructure. The plant is permitted to produce 950tpa of U3O8 and is in excellent condition, albeit that it lacks a comminution circuit. It includes static and dynamic leach facilities and all necessary infrastructure and offers major capital cost and time savings over building a new plant.

A preliminary inspection of the remaining elements of the Quercus plant indicates that most could be re-commissioned. The major remedial work required is associated with replacing wiring, motors and other smaller components, rather than the larger components such as tanks and foundations, which appear to be in relatively good condition.

Caceres VI Uranium Project

Following completion of the initial 36 hole RC and diamond drilling program in July 2008, Berkeley calculated a maiden inferred resource estimate of **9.23 million pounds of U_3O_8 at an average grade of 371ppm U_3O_8 (at a 200ppm cutoff)** for the Gambuta deposit.

Interpretation of the initial results indicated that the deposit was still open to the NW, where the final drill traverse intersected significant thicknesses of mineralization. RC drilling recommenced in October to complete the most north-westerly drill traverse and to test for extensions in this direction. Whilst continuity of mineralization was established across the last drill traverse, the first extension traverse, 200m to the NW, revealed >90m of Tertiary sediments. This abrupt thickening of the Tertiary cover, from 10m in the previous traverse, indicates normal faulting with the NW block down.

Metallurgical Testwork

In December 2008, two representative samples of mineralisation from the Retortillo deposit were sent to SGS Lakeside Oretest Pty Ltd in Perth, with the aim of determining a variety of work indexes, and assessing the potential for establishing a heap leaching operation. In addition, 84 individual core samples of mineralisation and host rock were sent to Ultrasort Pty Ltd in Australia to determine the potential for radiometric sorting.

Very encouraging results were achieved from column leach tests on 2 composite samples from the Retortillo deposit, indicating good potential for heap leaching. The radiometric sorting testwork showed that approximately 20% of the tonnage will be rejected as waste containing only 2% of the contained metal.

Berkeley will continue to work for the interests of shareholders by pursuing our core objective of mining uranium in Spain. The Company is very well placed to capitalise on the outstanding foundations it has built to date.

The Company also continues to review other opportunities in the mining and energy sectors in Europe and elsewhere.

The net loss of the Consolidated Entity after minority interests for the year ended 30 June 2009 was $10,009,206 (2008: $7,004,456). This loss is largely attributable to:

- the Consolidated Entity's accounting policy of expensing exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the acquisition of the rights to explore and up to the commencement of bankable feasibility studies. During the year, exploration expenditure totalled $5,783,641 (2008: $8,624,391); and

- the Consolidated Entity's accounting policy of expensing the value (determined using the Binomial option pricing model) of share options granted to Directors, employees, consultants and other advisors. The value is measured at grant date and recognised over the period during which the option holders become unconditionally entitled to the options. During the year, non-cash share-based payment expenses (excluding those classified as exploration costs) totalled $2,999,115 (2008: $1,428,177).

REVIEW OF OPERATIONS AND ACTIVITIES (Continued)

Corporate and Financial Position

Following the announcement that Berkeley had been chosen by ENUSA as its partner to conduct a feasibility study on its Salamanca uranium assets in July 2008, Berkeley and ENUSA agreed the terms of a Co-operation Agreement in December 2008. The main terms of the Co-operation Agreement are:

1. The Co-operation Agreement will be submitted to the Spanish Council of Ministers for approval, validating the acquisition by Berkeley of an interest in State assets. This approval was granted in April 2009;

2. Upon receipt of the above approval, Berkeley will pay ENUSA an initial deposit of €5 million to acquire ENUSA's database relating to the assets and to enable Berkeley to commence the Feasibility Study. Berkeley paid the initial deposit in May 2009;

3. The Feasibility Study will address mining within the ENUSA State Reserves for processing through the Quercus plant, probably in conjunction with Berkeley's own resources in the Salamanca Province. The Study is expected to take 18 months to complete, with potential to extend the Study Period by 12 months if required by making a further payment of €1 million;

4. Berkeley may then pay ENUSA a further €20 million to acquire a 90% interest in a joint venture company owning the ENUSA assets. Up to the time of commencement of the Feasibility Study, ENUSA may choose to retain a 10% free carry in the joint venture or opt to retain up to 49% contributing equity, in which case the consideration is reduced accordingly and ENUSA will fully fund its share of the joint venture. ENUSA has now chosen to retain a 10% free carry in the joint venture;

5. ENUSA will retain a 2.5% royalty on production from the State Reserves;

6. ENUSA will also receive a lease fee for the Quercus plant, representing 2.5% of the value of uranium produced through the Quercus plant, regardless of source;

7. Berkeley will pay 50% of the maintenance costs of the plant over the Feasibility Study period, up to €250,000 per annum; and

8. The Joint Venture Company will assume environmental and rehabilitation liabilities for any new mining areas and plant additions as well as its proportionate share (based on production) of the overall costs of the existing Quercus plant, including the tailings dam and heap leach pads.

The Co-operation Agreement sets out the main terms under which the Feasibility Study and any subsequent Mining Joint Venture will proceed. A new Mining Joint Venture agreement reflecting these terms will be required in the event that Berkeley opts to proceed under item 4 above.

Shareholders approved the acquisition of the ENUSA assets as contemplated by the Co-operation Agreement on 19 January 2009.

In May 2009, the Company completed a placement of 14 million shares at $0.50 each with 7 million free attaching $0.75 listed options to a number of corporate and institutional shareholders to provide funding for the Feasibility Study at the Salamanca Uranium Project. The placement raised $7 million prior to issue costs. An advisory fee of 2.5 million unlisted options exercisable at $1.00 on or before 31 May 2013 was also issued.

Upon completion of the Placement, a 1 for 20 non-renounceable rights issue for existing shareholders was offered on the same terms and conditions as the Placement. The rights issue was completed in June 2009, with existing Shareholders subscribing for a total of 5,064,510 shares at an issue price of $0.50 each together with 2,532,219 free attaching listed options exercisable at $0.75 each on or before 15 May 2013. The rights issue shortfall of 815,074 shares and 407,537 free attaching listed options were also issued. The rights issue raised $2.94 million prior to issue costs.

The Company believes that it is well funded for the period of the Feasibility Study at the Salamanca Uranium Project.

Business Strategies and Prospects

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

- to conduct studies into the feasibility of mining the Salamanca Uranium Project in Spain;
- to continue to explore its portfolio of minerals permits in Spain; and
- continue to examine new opportunities in minerals and energy exploration and development.

Risk Management

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

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

- On 16 July 2008, the Company advised that it has been chosen by ENUSA Industrias Avanzadas S.A. as that company's partner to conduct a feasibility study upon and ultimately develop ENUSA's uranium mining assets in Salamanca Province, Spain;
- On 18 July 2008, the Company issued 287,500 Unlisted Options to employees in accordance with the Company's Employee Option Scheme. The options are exercisable for $1.00 each on or before 19 June 2012. Vesting conditions apply. In addition, the Company advised that the Board had agreed to issue 250,000 Unlisted Options on the same terms and conditions to Mr Scott Yelland, Chief Operating Officer and a Director of the Company. These Incentive Options were subject to Shareholder approval at the Annual General Meeting of Shareholders and were issued on 19 December 2008;
- On 8 August 2008, Berkeley announced an initial inferred resource estimate of 9.23 million pounds of U_3O_8, at an average grade of 371ppm U_3O_8 (at a 200ppm cut-off), for the Gambuta uranium deposit in the Cáceres Province of Spain;
- On 10 December 2008, the Company advised that it had reached agreement on the terms of a Co-operation Agreement with ENUSA pursuant to which Berkeley will undertake a Feasibility Study with a view to re-commencing uranium mining based on ENUSA and Berkeley's assets in Salamanca Province Spain. Shareholders approved the acquisition of the ENUSA assets as contemplated by the Co-operation Agreement on 19 January 2009;
- On 15 May 2009, Berkeley issued 14 million shares at $0.50 each, with 7 million free attaching listed options exercisable at $0.75 each on or before 15 May 2013, to a number of corporate and institutional shareholders, raising $7 million before costs. An advisory fee relating to the placement of 2.5 million $1.00 unlisted options exercisable on or before 31 May 2013 was also issued. Shareholder approval for 5.35 million of the above shares and 2.67 million free attaching options was granted on 6 May 2009. The remainder of the above securities were issued under the Company's 15% limit;
- The Company also issued 3 million listed options exercisable at $0.75 each on or before 15 May 2013 to the Directors of the Company as an incentive, following the expiry of director incentive options in November 2008. Shareholder approval for this issue was granted on 6 May 2009;

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (Continued)

- On 15 May 2009, Mr Stephen Dattels was appointed a Director of Berkeley. Mr Dattels has subsequently resigned with effect from 14 September 2009;
- On 12 June 2009, the Company issued 5,064,510 shares at $0.50 each, along with 2,532,219 free attaching listed options exercisable at $0.75 each on or before 15 May 2013, to existing Shareholders under the non-renounceable rights issue, raising $2.53 million prior to issue costs; and
- On 22 June 2009, the Company issued the shortfall securities under the non-renounceable rights issue. 815,074 shares at $0.50 each, along with 407,537 free attaching listed options exercisable at $0.75 each on or before 15 May 2013, were placed raising $0.4 million prior to issue costs.

SIGNIFICANT POST BALANCE DATE EVENTS

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

- Mr Stephen Dattels resigned as a Director of Berkeley with effect from 14 September 2009.

Other than the above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2009 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2009, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2009, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2009, of the Consolidated Entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

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

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

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

INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF BERKELEY

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

Notes

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

SHARE OPTIONS

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

Listed Options

12,924,723 listed options at an exercise price of $0.75 each that expire on 15 May 2013.

Unlisted Options

10,600,000 unlisted options at an exercise price of $0.70 each that expire on 30 April 2010.

2,500,000 unlisted options at an exercise price of $1.00 each that expire on 31 May 2013.

2,160,000 unlisted options at an exercise price of $1.86 each that expire on 5 August 2011.

787,500 unlisted options at an exercise price of $1.00 each that expire on 19 June 2012.

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, no shares were issued as a result of the exercise of options. Since 30 June 2009, there have been 15,033 shares issued as a result of the exercise of options.

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2009, and the number of meetings attended by each director.

	Board Meetings Number Eligible to Attend	Board Meetings Number Attended
Current Directors		
Robert Hawley	7	7
Matthew Syme	7	7
Scott Yelland	7	7
Sean James	7	7
James Ross	7	6
Jose Ramon Esteruelas	7	7
Former Director		
Stephen Dattels	1	-

REMUNERATION REPORT (AUDITED) (30 JUNE 2009 YEAR END)

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

Details of Key Management Personnel

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

Directors	
Robert Hawley	Non-Executive Chairman
Matthew Syme	Managing Director
Scott Yelland	Chief Operating Officer / Executive Director
Sean James	Non-Executive Director
Jose Ramon Esteruelas	Non-Executive Director
James Ross	Non-Executive Director
Stephen Dattels	Non-Executive Director (Resigned 14 September 2009)
Executives	
Clint McGhie	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 2008 until the date of this report.

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

Remuneration Policy

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

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

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

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

REMUNERATION REPORT (AUDITED) (30 JUNE 2009 YEAR END) (Continued)

Remuneration Policy for Executives

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

Performance Based Remuneration – Incentive Options

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

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

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

Performance Based Remuneration – Cash Bonus

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

Impact of Shareholder Wealth on Key Management Personnel Remuneration

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

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

Impact of Earnings on Key Management Personnel Remuneration

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

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

Remuneration Policy for Non Executive Directors

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

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

General

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

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

Key Management Personnel Remuneration

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

	Short-Term Benefits							
2009	Salary & Fees $	Cash Bonus $	Post Employ-ment Benefits $	Share-Based Payments $	Other Non-Cash Benefits(ii) $	Total $	Percentage of Total Remuneration that Consists of Options %	Percentage Performance Related %
Directors								
Robert Hawley	125,929	-	-	334,800	3,327	464,056	72.15	-
Matthew Syme	250,000	-	22,500	669,600	12,522	954,622	70.14	-
Scott Yelland	269,345	-	44,829	529,193	6,852	850,219	62.24	-
Sean James	40,656	-	-	167,400	6,852	214,908	77.89	-
James Ross	96,690	-	2,700	167,400	4,437	271,227	61.72	-
Jose Ramon Esteruelas	93,259	-	-	334,800	3,327	431,386	77.61	-
Stephen Dattels(i)	-	-	-	167,400	418	167,818	99.75	-
Executives								
Clint McGhie(iii)	-	10,000	-	-	-	10,000	-	100

Notes

(i) Mr Dattels was appointed as a non-executive Director of the Company on 15 May 2009.

(ii) Other Non-Cash Benefits includes payments made for car-parking and insurance premiums on behalf of the Directors, including Directors & Officers insurance, and in some instances, working directors insurance.

(iii) Mr McGhie provides services as the Company Secretary through a services agreement between Berkeley Resources Limited and Apollo Group Pty Ltd. Under the agreement, Apollo Group Pty Ltd provides administrative, company secretarial and accounting services, and the provision of a fully serviced office to the Company for a monthly retainer of $15,000. The monthly retainer has increased to $17,000 from 1 July 2009. The Board agreed to pay Mr McGhie a bonus of $10,000 during the year ended 30 June 2009 in addition to the retainer paid to Apollo Group Pty Ltd.

REMUNERATION REPORT (AUDITED) (30 JUNE 2009 YEAR END) (Continued)

Key Management Personnel Remuneration (Continued)

2008	Short-Term Benefits Salary & Fees $	Cash Bonus $	Post Employment Benefits $	Share-Based Payments $	Other Non-Cash Benefits(i) $	Total $	Percentage of Total Remuneration that Consists of Options %	Percentage Performance Related %
Directors								
Robert Hawley	127,317	-	-	-	2,917	130,234	-	-
Matthew Syme	250,000	-	22,500	-	4,508	277,008	-	-
Scott Yelland	274,472	23,843	47,125	616,235	1,205	962,880	64.0	2.5
Sean James	45,708	-	-	-	6,675	52,383	-	-
James Ross	97,500	-	2,700	-	4,508	104,708	-	-
Jose Ramon Esteruelas	81,095	-	-	-	2,917	84,012	-	-
Executives								
Shane Cranswick (ii)	-	-	-	-	-	-	-	-
Clint McGhie(ii)	-	-	-	-	-	-	-	-

Notes

(i) Other Non-Cash Benefits includes payments made for insurance premiums on behalf of the Directors, including Directors & Officers insurance, and in some instances, working directors insurance.

(ii) Mr Cranswick provided services as the Company Secretary until 28 September 2007 when he was replaced as Company Secretary by Mr McGhie. These services have been provided through a services agreement with Apollo Group Pty Ltd. Under the agreement, Apollo Group Pty Ltd provided administrative, company secretarial and accounting services, and the provision of a fully serviced office to the Company for a monthly retainer of $12,000. The monthly retainer increased to $15,000 from 1 July 2008.

Options Granted to Key Management Personnel

Details of options granted to each Director and executive of the Company or Group during the financial year are as follows:

2009	Issuing Entity	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $	No. Granted	No. Vested
Directors							
Robert Hawley	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	500,000	500,000
Matthew Syme	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	1,000,000	1,000,000
Scott Yelland	Berkeley Resources Ltd	27-Nov-08	19-Jun-12	1.00	0.097	250,000	83,333
	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	250,000	250,000
Sean James	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	250,000	250,000
James Ross	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	250,000	250,000
Jose Ramon Esteruelas	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	500,000	500,000
Stephen Dattels	Berkeley Resources Ltd	6-May-09	15-May-13	0.75	0.6696	250,000	250,000

2008	Issuing Entity	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $	No. Granted	No. Vested
Directors							
Scott Yelland	Berkeley Resources Ltd	6-Aug-07	5-Aug-11	1.86	1.121	1,000,000	-(ii)

Notes

(i) For details on the valuation of the options, including models and assumptions used, please refer to Note 21 to the financial statements.

(ii) As at 30 June 2009, 333,333 $1.86 Incentive Options had vested.

Options Granted to Directors and Executives

Details of the value of options granted, exercised or lapsed for each Director and executive of the Company or Group during the financial year are as follows:

2009	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 for the Year that Consists of Options %
Directors					
Robert Hawley	334,800	-	-	334,800	72.15
Matthew Syme	669,600	-	-	669,600	70.14
Scott Yelland	191,650	-	-	529,193	62.24
Sean James	167,400	-	-	167,400	77.89
James Ross	167,400	-	-	167,400	61.72
Jose Ramon Esteruelas	334,800	-	-	334,800	77.61
Stephen Dattels	167,400	-	-	167,400	99.75

2008	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 for the Year that Consists of Options %
Directors					
Matthew Syme	-	2,930,000	-	-	-
Scott Yelland	1,121,000	-	-	616,235	64.0

Notes

(i) For details on the valuation of the options, including models and assumptions used, please refer to Note 21 to the financial statements.

(ii) The value of options granted during the year is recognised in compensation over the vesting period of the grant, in accordance with Australian accounting standards.

REMUNERATION REPORT (AUDITED) (30 JUNE 2009 YEAR END) (Continued)

Employment Contracts with Directors and Executive Officers

Mr Matthew Syme, Managing Director, has a contract of employment with Berkeley Resources Limited dated 27 August 2004. The terms of this contract were revised effective from 1 May 2006. The contract specifies the duties and obligations to be fulfilled by the Managing Director. The contract has a rolling term and may be terminated by the Company by giving three months notice. No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Syme receives a fixed remuneration component of $250,000 per annum exclusive of superannuation. The contract also provides for the payment of a cash bonus which the Board may determine at its discretion which reflects the contribution of Mr Syme towards the Company's achievement of its overall objectives. As at the date of this report no cash bonus has been paid or is payable.

Following shareholder approval on 6 May 2009, Mr Syme was granted 1,000,000 listed options exercisable at $0.75 each on or before 15 May 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exercise of Options Granted as Remuneration

During the financial year ended 30 June 2009, no options granted as remuneration were exercised.

During the financial year ended 30 June 2008, Mr Syme was issued 2,000,000 shares following the exercise of 1,000,000 options at $0.20 per share and 1,000,000 options at $0.25 per share.

There are no amounts unpaid on the shares issued as a result of the exercise of the options in the 2008 financial year.

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 $20,380. 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 a liability incurred as such an auditor.

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 86 of the Annual Financial Report.

DIRECTORS' 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

MATTHEW SYME
Managing Director

Perth, 30 September 2009

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

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Revenue from continuing operations	2	**700,250**	**1,473,848**	**696,855**	**1,473,427**
Other Income	2	-	1,934,785	-	1,934,785
Administration costs		(1,331,974)	(1,806,818)	(1,331,685)	(1,806,173)
Exploration costs		(5,783,641)	(8,624,391)	(991,506)	(656,500)
Provision for capitalised exploration expenditure	3	(328,383)	-	(137,000)	-
Business development costs		(270,707)	(284,498)	(270,707)	(284,498)
Other share based payments expense	3	(2,999,115)	(1,428,177)	(2,999,115)	(1,428,177)
Provision for intercompany loans	3	-	-	(11,164,115)	-
Provision for investment in subsidiary	3	-	-	(13,455,768)	-
Foreign exchange gain/(loss)		(378)	(61,886)	376,841	(62,845)
Loss before income tax expense		**(10,013,948)**	**(8,797,137)**	**(29,276,200)**	**(829,981)**
Income tax expense	4	-	-	-	-
Loss after income tax expense		**(10,013,948)**	**(8,797,137)**	**(29,276,200)**	**(829,981)**
Loss attributable to minority interest		**(4,742)**	**(1,792,681)**	**-**	**-**
Loss attributable to members of Berkeley Resources Limited		**(10,009,206)**	**(7,004,456)**	**(29,276,200)**	**(829,981)**
Loss after income tax expense		**(10,013,948)**	**(8,797,137)**	**(29,276,200)**	**(829,981)**
Basic loss per share (cents per share)	25	(9.47)	(6.80)		
Diluted loss per share (cents per share)	25	(9.47)	(6.80)		

Notes to and forming part of the Income Statement are set out on pages 40 to 84.

BALANCE SHEET
AS AT 30 JUNE 2009

		Consolidated		Parent	
	Note	2009 $	2008 $	2009 $	2008 $
ASSETS					
Current Assets					
Cash and cash equivalents	26(b)	11,479,554	18,171,171	10,470,220	17,485,427
Trade and other receivables	5	1,529,241	1,289,281	43,595	121,474
Other financial assets	6	107,956	-	-	-
Total Current Assets		**13,116,751**	**19,460,452**	**10,513,815**	**17,606,901**
Non-current Assets					
Exploration expenditure	7	14,388,045	5,938,391	-	137,000
Property, plant and equipment	8	520,590	509,497	7,286	16,166
Trade and other receivables	9	-	-	-	493,899
Other financial assets	10	279,276	119,228	5,484,412	14,310,715
Total Non-current Assets		**15,187,911**	**6,567,116**	**5,491,698**	**14,957,780**
TOTAL ASSETS		**28,304,662**	**26,027,568**	**16,005,513**	**32,564,681**
LIABILITIES					
Current Liabilities					
Trade and other payables	11	838,902	978,010	456,340	170,941
Provisions	12	197,812	44,295	53,410	44,295
Other financial liabilities	13	10,768	-	-	-
Total Current Liabilities		**1,047,482**	**1,022,305**	**509,750**	**215,236**
TOTAL LIABILITIES		**1,047,482**	**1,022,305**	**509,750**	**215,236**
NET ASSETS		**27,257,180**	**25,005,263**	**15,495,763**	**32,349,445**
EQUITY					
Equity attributable to equity holders of the Company					
Issued capital	14	49,391,245	41,444,842	49,391,245	41,444,842
Reserves	15	6,366,822	4,449,269	6,551,532	4,472,973
Accumulated losses	16	(28,501,985)	(20,890,335)	(40,447,014)	(13,568,370)
Parent Interests		**27,256,082**	**25,003,776**	**15,495,763**	**32,349,445**
Minority Interests	17	**1,098**	**1,487**	**-**	**-**
TOTAL EQUITY		**27,257,180**	**25,005,263**	**15,495,763**	**32,349,445**

Notes to and forming part of the Balance Sheet are set out on pages 40 to 84.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Cash flows from operating activities					
Payments to suppliers and employees		(7,680,368)	(11,045,850)	(2,427,343)	(2,890,739)
Interest received		797,527	1,364,784	794,132	1,364,363
Net cash inflow/(outflow) from operating activities	26(a)	**(6,882,841)**	**(9,681,066)**	**(1,633,211)**	**(1,526,376)**
Cash flows from investing activities					
Payments for exploration		(8,987,337)	(78,313)	-	-
Payment for investment in controlled entity		-	-	-	(8,846,230)
Security bond deposit		(6,800)	(110,730)	-	-
Amounts advanced to related parties		-	-	(14,922,462)	(491,722)
Amounts repaid to third parties		(79,396)	-	-	-
Payment for acquisition of subsidiary		(36,036)	-	-	-
Net cash acquired on acquisition of subsidiary		20,005	-	-	-
Proceeds on sale of investment		-	2,584,784	-	2,584,783
Payments for property, plant and equipment		(74,724)	(458,755)	(254)	(11,244)
Net cash inflow/(outflow) from investing activities		**(9,164,288)**	**1,936,986**	**(14,922,716)**	**(6,764,413)**
Cash flows from financing activities					
Proceeds from issue of shares		9,939,792	450,000	9,939,792	450,000
Transaction costs from issue of shares and options		(399,072)	(2,956)	(399,072)	(2,956)
Net cash inflow from financing activities		**9,540,720**	**447,044**	**9,540,720**	**447,044**
Net increase/(decrease) in cash and cash equivalents held		**(6,506,409)**	**(7,297,036)**	**(7,015,207)**	**(7,843,745)**
Cash and cash equivalents at the beginning of the financial year		**18,171,171**	**25,535,846**	**17,485,427**	**25,329,172**
Effects of exchange rate changes on cash and cash equivalents		**(185,208)**	**(67,639)**	-	-
Cash and cash equivalents at the end of the financial year	26(b)	**11,479,554**	**18,171,171**	**10,470,220**	**17,485,427**

Notes to and forming part of the Cash Flow Statement are set out on pages 40 to 84.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

		Attributable to Equity Holder of the Parent							
Consolidated	Note	Issued Capital $	Option Premium Reserve $	Foreign Currency Translation Reserve $	Net Unrealised Gains Reserve $	Accumulated Losses $	Total $	Minority Interest $	Total Equity $
As at 1 July 2007		**40,560,013**	**3,482,581**	**(21,962)**	**1,144,000**	**(13,885,879)**	**31,278,753**	**77,436**	**31,356,189**
Exchange differences arising on translation of foreign operations		-	-	(1,742)	-	-	(1,742)	(227)	(1,969)
Net unrealised gain on held for sale financial assets		-	-	-	1,326,000	-	1,326,000	-	1,326,000
Net realised gain on held for sale financial assets	2(a)	-	-	-	(2,470,000)	-	(2,470,000)	-	(2,470,000)
Total income recognised directly in equity		-	-	(1,742)	(1,144,000)	-	(1,145,742)	(227)	(1,145,969)
Net loss for the period		-	-	-	-	(7,004,456)	(7,004,456)	(1,792,681)	(8,797,137)
Total recognised income and expense		-	-	(1,742)	(1,144,000)	(7,004,456)	(8,150,198)	(1,792,908)	(9,943,106)
Step up acquisition of minority interest		-	-	-	-	-	-	1,716,959	1,716,959
Exercise of options		887,000	(437,000)	-	-	-	450,000	-	450,000
Expiry of options		785	(785)	-	-	-	-	-	-
Cost of share based payments		-	1,428,177	-	-	-	1,428,177	-	1,428,177
Share issue costs		(2,956)	-	-	-	-	(2,956)	-	(2,956)
As at 30 June 2008		**41,444,842**	**4,472,973**	**(23,704)**	**-**	**(20,890,335)**	**25,003,776**	**1,487**	**25,005,263**
As at 1 July 2008		**41,444,842**	**4,472,973**	**(23,704)**	**-**	**(20,890,335)**	**25,003,776**	**1,487**	**25,005,263**
Exchange differences arising on translation of foreign operations		-	-	(161,006)	-	-	(161,006)	(211)	(161,217)
Total income recognised directly in equity		-	-	(161,006)	-	-	(161,006)	(211)	(161,217)
Net loss for the period		-	-	-	-	(10,009,206)	(10,009,206)	(4,742)	(10,013,948)
Total recognised income and expense		-	-	(161,006)	-	(10,009,206)	(10,170,212)	(4,953)	(10,175,165)
Step up acquisition of minority interest		-	-	-	-	-	-	4,564	4,564
Issue of shares		9,939,792	-	-	-	-	9,939,792	-	9,939,792
Share issue costs		(1,993,389)	-	-	-	-	(1,993,389)	-	(1,993,389)
Expiry of incentive options		-	(2,357,250)	-	-	2,357,250	-	-	-
Cancellation of incentive options:									
- Vested		-	(40,306)	-	-	40,306	-	-	-
- Unvested		-	(38,788)	-	-	-	(38,788)	-	(38,788)
Cost of share based payments		-	4,514,903	-	-	-	4,514,903	-	4,514,903
As at 30 June 2009		**49,391,245**	**6,551,532**	**(184,710)**	**-**	**(28,501,985)**	**27,256,082**	**1,098**	**27,257,180**

Notes to and forming part of the Statement of Changes in Equity are set out on pages 40 to 84.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

Parent	Note	Issued Capital $	Option Premium Reserve $	Net Unrealised Gains Reserve $	Accumu-lated Losses $	Total Equity $
Balance at 1 July 2007		**40,560,013**	**3,482,581**	**1,144,000**	**(12,738,389)**	**32,448,205**
Net unrealised gain on held for sale financial assets		-	-	1,326,000	-	1,326,000
Net realised gain on held for sale financial assets	2(a)	-	-	(2,470,000)	-	(2,470,000)
Total income recognised directly in equity		-	-	(1,144,000)	-	(1,144,000)
Net loss for the year		-	-	-	(829,981)	(829,981)
Total recognised income and expense		-	-	(1,144,000)	(829,981)	(1,973,981)
Exercise of options		887,000	(437,000)	-	-	450,000
Expiry of options		785	(785)	-	-	-
Cost of share based payments		-	1,428,177	-	-	1,428,177
Share issue costs		(2,956)	-	-	-	(2,956)
Balance at 30 June 2008		**41,444,842**	**4,472,973**	**-**	**(13,568,370)**	**32,349,445**
Balance at 1 July 2008		**41,444,842**	**4,472,973**	**-**	**(13,568,370)**	**32,349,445**
Net loss for the year		-	-	-	(29,276,200)	(29,276,200)
Total recognised income and expense		-	-	-	(29,276,200)	(29,276,200)
Issue of shares		9,939,792	-	-	-	9,939,792
Share issue costs		(1,993,389)	-	-	-	(1,993,389)
Expiry of incentive options		-	(2,357,250)	-	2,357,250	-
Cancellation of incentive options:						
- Vested		-	(40,306)	-	40,306	-
- Unvested		-	(38,788)	-	-	(38,788)
Cost of share based payments		-	4,514,903	-	-	4,514,903
Balance at 30 June 2009		**49,391,245**	**6,551,532**	**-**	**(40,447,014)**	**15,495,763**

Notes to and forming part of the Statement of Changes in Equity are set out on pages 40 to 84.

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 2009 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 2009 was authorised for issue in accordance with a resolution of the Directors on 28 September 2009.

(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 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. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out 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 2009. These are outlined in the table below:

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB Int. 16	Hedges of a Net Investment in a Foreign Operation	This Interpretation requires that the hedged risk in a hedge of a net investment in a foreign operation is the foreign currency risk arising between the functional currency of the net investment and the functional currency of any parent entity. This also applies to foreign operations in the form of joint ventures, associates or branches.	1 October 2008	These amendments are not expected to have any impact on the Company's financial report.	1 July 2009

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB Int. 17 and AASB 2008-13	Distributions of Non-cash Assets to Owners and consequential amendments to Australian Accounting Standards AASB 5 and AASB 110	The Interpretation outlines how an entity should measure distributions of assets, other than cash, as a dividend to its owners acting in their capacity as owners. This applies to transactions commonly referred to as spin-offs, split offs or demergers and in-specie distributions.	1 July 2009	These amendments are not expected to have any impact on the Company's financial report.	1 July 2009
AASB Int. 18	Transfers of Assets from Customers	This Interpretation provides guidance on the transfer of assets such as items of property, plant and equipment or transfers of cash received from customers. The Interpretation provides guidance on when and how an entity should recognise such assets and discusses the timing of revenue recognition for such arrangements and requires that once the asset meets the condition to be recognised at fair value, it is accounted for as an 'exchange transaction'.	Applies prospectively to transfers of assets from customers received on or after 1 July 2009	These amendments are not expected to have any impact on the Company's financial report.	1 July 2009
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New Standard replacing AASB114 *Segment Reporting*, which adopts a management reporting approach to segment reporting.	1 January 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. In addition, the amendments may have an impact on the Group's segment disclosures.	1 July 2009
AASB 1039 (revised)	Concise Reporting	AASB 1039 was revised in August 2008 to achieve consistency with AASB 8 Operating Segments. The revisions include changes to terminology and descriptions to ensure consistency with the revised AASB 101 Presentation of Financial Statements.	1 January 2009	These amendments are not expected to have any impact on the Company's financial report.	1 July 2009
AASB 123 (revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	The Group has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the Group's financial report.	1 July 2009

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 101 (revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassification of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1 January 2009	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 July 2009
AASB 2008-2	Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	These amendments are not expected to have any impact on the Group's financial report as the Group does not have on issue or expect to issue any puttable financial instruments as defined by the amendments.	1 July 2009
AASB 3 (revised)	Business Combinations	The revised Standard introduces a number of changes to the accounting for business combinations, the most significant of which includes the requirement to expense transaction costs and a choice (for each business combination entered into) to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The Group may enter into some business combinations during the next financial year. The Group has not yet assessed the impact of the revised standard, including which accounting policy to adopt.	1 July 2009

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 127 (revised)	Consolidated and Separate Financial Statements	There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.	1 July 2009	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no material impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement as all subsidiaries are 100% owned except Minera de Rio Alagon, S.L. which is 99.903% owned.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127. Refer above.	1 July 2009	Refer to AASB 3 (revised) and AASB 127 (revised) above.	1 July 2009
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs.	1 January 2009	These amendments are not expected to have any impact on the Company's financial report.	1 July 2009
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	This was the second omnibus of amendments issued by the IASB arising from the Annual Improvements Project. Refer to AASB 2008-5 above for more details.	1 July 2009	These amendments are not expected to have any impact on the Company's financial report.	1 July 2009
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance to Australian entities are those made to AASB 127 deleting the "cost method" and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.	1 January 2009	These amendments are not expected to have any impact on the Company's financial report.	1 July 2009

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 2008-8	Amendments to Australian Accounting Standards – Eligible Hedged Items	The amendment to AASB 139 clarifies how the principles underlying hedge accounting should be applied when (i) a one-sided risk in a hedged item is being hedged and (ii) inflation in a financial hedged item existed or was likely to exist.	1 July 2009	These amendments are not expected to have any impact on the Company's financial report.	1 July 2009
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The main amendment to AASB 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: • quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); • inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and • inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). These amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the IASB in March 2009. The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7.	Annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009.	These amendments are not expected to have any impact on the Company's financial report.	1 July 2009
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.	1 July 2009	These amendments are not expected to have any impact on the Company's financial report.	1 July 2009

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.	1 January 2010	These amendments are not expected to have any impact on the Company's financial report.	1 July 2010
Amendments to International Financial Reporting Standards	Amendments to IFRS 2	The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular: • the scope of AASB 2; and the interaction between IFRS 2 and other standards.	1 January 2010	These amendments are not expected to have any impact on the Company's financial report as the Company does not have any cash-settled share based payment transactions.	1 July 2010

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Berkeley Resources Limited as at 30 June 2009 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, so as to obtain benefits from its activities, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Entity, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Investments in subsidiaries are accounted for at cost in the balance sheet of the Company.

(d) 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:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Significant Accounting Judgements, Estimates and Assumptions (Continued)

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 the year ended 30 June 2009, the Parent made a significant judgement about the impairment of a financial asset (investment in subsidiary – refer Note 10). 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.

(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.

(e) Segment Reporting

A business segment is a distinguishable component of an entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(f) Foreign Currency Translation

Both the functional and presentation currency of Berkeley at 30 June 2009 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. 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 weighted average exchange rate for the year.

Any exchange differences arising on this retranslation are taken directly to a separate component of 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 Income Statement.

(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) Income Tax

The income tax expense for the period 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Income Tax (Continued)

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.

(i) 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 plus costs directly attributable to the business combination. 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. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

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 minority 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.

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.

(j) 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.

(k) 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 Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(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) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Investments and Other Financial Assets (Continued)

(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 balance sheet date.

(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 balance sheet.

(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 sheet 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.

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.

(n) 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.

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(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 sheet date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Property, Plant and Equipment (Continued)

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 (Note 1(j)).

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 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.

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation expenditure incurred by the Group is accumulated for each area of interest and recorded as an asset if:

the rights to tenure of the area of interest are current; and

at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and

- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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.

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.

(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 balance sheet.

Cash flows are included in the Cash Flow Statement 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 (see Note 25).

(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.

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
2. REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS				
Revenue				
Interest revenue	700,250	1,473,848	696,855	1,473,427
	700,250	**1,473,848**	**696,855**	**1,473,427**
Other income				
Gain on disposal of listed shares (a)	-	1,934,785	-	1,934,785
	-	**1,934,785**	**-**	**1,934,785**

(a) Gain on Disposal of Listed Shares

In January 2008 the Company disposed of 1.3 million Atlas Iron Ltd ordinary shares on market for $2,584,783 resulting in a gain of $1,934,785 net of expenses, comprising:

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Loss on disposal	-	(535,215)	-	(535,215)
Gain transferred from revaluation reserve	-	2,470,000	-	2,470,000
Net gain	**-**	**1,934,785**	**-**	**1,934,785**

3. EXPENSES AND LOSSES FROM CONTINUING OPERATIONS

Loss from ordinary activities before income tax expense includes the following specific expenses:

(a) Expenses

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Depreciation and amortisation				
- Plant and equipment	97,310	188,411	9,134	16,375
Net movement in provisions for				
- Capitalised exploration expenditure	328,383	-	137,000	-
- Employee entitlements	111,672	10,097	9,115	10,097
- Maintenance	41,845	-	-	-
- Intercompany loans	-	-	11,164,115	-
- Investment in subsidiary	-	-	13,455,768	-
- Incorporation expenses	2,339	-	-	-
Employee Benefits Expense				
- Salaries, wages and fees	2,764,284	2,638,810	946,247	1,127,568
- Defined contribution plan	73,194	72,325	73,194	72,325
- Bonuses	10,000	41,810	10,000	41,810
- Share-based payments	2,999,115	1,428,177	2,999,115	1,428,177
Total Employee Benefits Expense	5,846,593	4,181,122	4,028,556	2,669,880
Other share based payments (refer Note 21)	2,999,115	1,428,177	2,999,115	1,428,177

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
4. INCOME TAX EXPENSE				
(a) Recognised in the Income Statement				
Current income tax				
Current income tax expense/(benefit)	(1,822,546)	(1,224,947)	(185,493)	-
Adjustments in respect of current income tax of previous years	(385,076)	(1,447,836)	44,953	675,181
Deferred income tax				
Origination and reversal of temporary differences	43,821	501,503	(7,455,722)	501,503
Temporary differences not previously brought to account	-	-	-	(1,176,684)
Tax losses not brought to account	2,163,801	2,171,280	7,596,262	-
Income tax expense reported in the income statement	-	-	-	-
(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	-	237,236	-	237,236
Transfer from equity to profit and loss on sale	-	(580,436)	-	(580,436)
Temporary differences not brought to account	-	343,200	-	343,200
Income tax expense reported in equity	-	-	-	-
(c) Reconciliation Between Tax Expense and Accounting Profit/(Loss) Before Income Tax				
Accounting profit/(loss) before income tax	(10,013,948)	(8,797,137)	(29,276,200)	(829,981)
At the domestic income tax rate of 30% (2008: 30%)	(3,004,184)	(2,639,141)	(8,782,860)	(248,994)
Expenditure not allowable for income tax purposes	1,255,512	1,897,132	1,254,811	731,644
Foreign currency exchange gains and other translation adjustments	(14,636)	18,565	(113,166)	18,853
Adjustments in respect of current income tax of previous years	(385,076)	(1,447,836)	44,953	675,181
Previously unrecognised tax losses brought to account	(15,417)	-	-	-
Temporary differences not previously brought to account	-	-	-	(1,176,684)
Deferred tax assets not brought to account	2,163,801	2,171,280	7,596,262	-
Income tax expense reported in the income statement	-	-	-	-

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
(d) Deferred Income Tax				
Deferred income tax at 30 June 2009 relates to the following:				
Deferred Tax Liabilities				
Accrued interest	3,536	32,719	3,536	32,719
Exploration and evaluation assets	-	41,100	-	41,100
Deferred tax assets used to offset deferred tax liabilities	(3,536)	(73,819)	(3,536)	(73,819)
	-	-	-	-
Deferred Tax Assets				
Other financial assets	-	-	7,385,965	-
Accrued expenditure	28,529	17,100	14,700	17,100
Provisions	59,343	13,289	16,023	13,289
Capital allowances	-	860	-	860
Tax losses available to offset against future taxable income	5,499,064	3,462,170	254,746	114,206
Deferred tax assets used to offset deferred tax liabilities	(3,536)	(73,819)	(3,536)	(73,819)
Deferred tax assets not brought to account	(5,583,400)	(3,419,600)	(7,667,898)	(71,636)
	-	-	-	-

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.

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES				
GST and other taxes receivable	1,502,551	1,179,201	31,808	11,394
Interest receivable	11,787	109,064	11,787	109,064
Other	14,903	1,016	-	1,016
	1,529,241	**1,289,281**	**43,595**	**121,474**
6. CURRENT ASSETS – OTHER FINANCIAL ASSETS				
Security deposits	107,956	-	-	-
	107,956	**-**	**-**	**-**
7. NON-CURRENT ASSETS – EXPLORATION EXPENDITURE				
The company has mineral exploration costs carried forward in respect of areas of interest:				
Areas in exploration at cost:				
Balance at the beginning of year	5,938,391	4,135,220	137,000	137,000
Additions (i)	9,044,947	1,803,171	-	-
Transfer to non-current security bonds	(187,545)	-	-	-
Foreign exchange differences	(79,365)	-	-	-
	14,716,428	5,938,391	137,000	137,000
Capitalised exploration expenditure written off	(328,383)	-	(137,000)	-
Balance at end of year (ii) (iii)	**14,388,045**	**5,938,391**	**-**	**137,000**

Notes

(i) Additions during the year include the payment of $8,802,662 by Berkeley Minera Espana, S.A., to acquire the right to conduct a feasibility study over ENUSA's State Reserve permits, as well as $53,046 capitalised exploration expenditure acquired upon acquisition of Geothermal Energy Sources, S.L. The balance relates to capitalised exploration expenditure incurred by Minera de Rio Alagon, S.L.

(ii) Capitalised costs (consolidated) include the excess cost of acquisition in the subsidiary, Minera del Rio Alagon over the net assets acquired. The excess cost of acquisition was $5,476,848 as at 30 June 2008; a further $4,564 was included when the investment in the subsidiary increased from 99.9% to 99.903% on 20 March 2009, taking the total excess cost of acquisition to $5,481,412.

(iii) 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. The Group's exploration properties may at some future time be subject to claims by indigenous people. In the event of any such claim being made, the Group's exploration properties or areas within the tenements may be subject to exploration and/or mining restrictions or compensations. This may impact on the commercial viability and/or carrying value of the respective tenements.

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT				
Plant and equipment				
At beginning of financial year, net of accumulated depreciation and impairment	509,497	232,184	16,166	21,297
Additions	74,724	458,755	254	11,244
Depreciation charge for the year	(97,310)	(188,411)	(9,134)	(16,375)
Foreign exchange differences	33,679	6,969	-	-
At end of financial year, net of accumulated depreciation and impairment	**520,590**	**509,497**	**7,286**	**16,166**
At beginning of financial year				
Cost	746,358	280,634	66,307	55,063
Accumulated depreciation and impairment	(236,861)	(48,450)	(50,141)	(33,766)
Net carrying amount	**509,497**	**232,184**	**16,166**	**21,297**
At end of financial year				
Cost	865,863	746,358	66,560	66,307
Accumulated depreciation and impairment	(345,273)	(236,861)	(59,274)	(50,141)
Net carrying amount	**520,590**	**509,497**	**7,286**	**16,166**
9. NON-CURRENT ASSETS – OTHER RECEIVABLES				
Loans to controlled entities	-	-	11,164,115	493,899
Provision for loans to controlled entities	-	-	(11,164,115)	-
	-	**-**	**-**	**493,899**
(a) Movement in the carrying amount of the Company's loans to controlled entities				
Opening balance	-	-	493,899	318,877
Loan advanced	-	-	14,922,462	9,460,946
Conversion to equity investment in subsidiary	-	-	(4,629,465)	(9,111,653)
Foreign exchange differences	-	-	377,219	(174,271)
Provision for impairment	-	-	(11,164,115)	-
Closing balance	**-**	**-**	**-**	**493,899**

Terms & Conditions:

The loans to controlled entities were undertaken on commercial terms and conditions, except that:

- there is no fixed time for repayment of loans between the parties; and
- no interest is payable on the loans until completion of a successful bankable feasibility study.

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
10. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS				
Investments in subsidiary (i)	-	-	5,481,412	14,307,715
Security bonds	279,276	101,506	3,000	3,000
Other	-	17,722	-	-
	279,276	**119,228**	**5,484,412**	**14,310,715**
(a) Movement in the carrying amount of the Company's investments in controlled entities				
Opening balance	-	-	14,307,715	5,196,062
Increase in investment (Note 9(a))	-	-	4,629,465	9,111,653
Provision for impairment(i)	-	-	(13,455,768)	-
Closing balance	**-**	**-**	**5,481,412**	**14,307,715**

Note

(i) The recoverability of the carrying amount of the Parent Entity's investment in Minera de Rio Alagon, S.L. is dependent on the successful development and commercial exploitation of Minera de Rio Alagon, S.L.'s exploration and evaluation assets, or alternatively the sale of those exploration assets or the sale of Minera de Rio Alagon, S.L. itself. As a result of the Consolidated Entity's accounting policy of expensing exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the acquisition of the rights to explore and up to the commencement of Bankable Feasibility Studies, funds invested by the Parent Entity in Minera de Rio Alagon, S.L. and used for exploration and evaluation activities have not resulted in a corresponding increase in Minera de Rio Alagon, S.L.'s net assets.

Accordingly, the Parent Entity has chosen to make provision for the investment in Minera de Rio Alagon, S.L to reduce the carrying value of the investment down to the value of the capitalised exploration and evaluation assets of Minera de Rio Alagon, S.L. on consolidation (refer to Note 7). As a result, the carrying value of the investment in Minera de Rio Alagon, S.L. has been reduced to $5,481,412 as at 30 June 2009.

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
11. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES				
Trade creditors	746,265	921,010	407,340	113,941
Accrued expenses	92,637	57,000	49,000	57,000
	838,902	**978,010**	**456,340**	**170,941**
12. CURRENT LIABILITIES – PROVISIONS				
Employee benefits	155,967	44,295	53,410	44,295
Provision for maintenance (a)	41,845	-	-	-
	197,812	**44,295**	**53,410**	**44,295**

(a) Provision for maintenance

In accordance with the Co-operation Agreement with ENUSA Industrias Avanzadas S.A. ("ENUSA"), Berkeley Minera Espana, S.A. will pay 50% of the maintenance costs of the Quercus Uranium Processing Plant over the Feasibility Study period, up to a maximum of €250,000 per annum. Berkeley commenced the Feasibility Study on 26 May 2009, and as such, has provided for the maximum expense from commencement to balance date.

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
13. CURRENT LIABILITIES – OTHER FINANCIAL LIABILITIES				
Other financial liability	10,768	-	-	-
	10,768	**-**	**-**	**-**
14. ISSUED CAPITAL				
(a) Issued and Paid up Capital				
123,471,279 (2008: 103,591,695) fully paid ordinary shares	**49,391,245**	**41,444,842**	**49,391,245**	**41,444,842**

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:

Date	Details	Number of Shares	Issue Price	$
1 Jul 2007	**Opening Balance**	**101,591,695**	**-**	**40,560,013**
4 Oct 2007	Exercise of Unlisted $0.20 Options	1,000,000	0.20	200,000
	Exercise of Unlisted $0.25 Options	1,000,000	0.25	250,000
	Transfer from option reserve	-	-	437,785
	Share issue expenses	-	-	(2,956)
30 Jun 2008	**Closing Balance**	**103,591,695**		**41,444,842**
1 Jul 2008	**Opening Balance**	**103,591,695**		**41,444,842**
15 May 2009	Issue of shares	14,000,000	0.50	7,000,000
12 Jun 2009	Issue of shares	5,064,510	0.50	2,532,255
22 Jun 2009	Issue of shares	815,074	0.50	407,537
	Share issue expenses	-	-	(1,993,389)
30 Jun 2009	**Closing Balance**	**123,471,279**		**49,391,245**

14. ISSUED CAPITAL (Continued)

(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.

(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.

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
15. RESERVES				
(a) Balances				
Option Premium Reserve				
12,939,756 (30 June 2008: Nil) $0.75 listed options	2,008,800	-	2,008,800	-
10,600,000 (30 June 2008: 10,600,000) $0.70 unlisted options	687,546	687,546	687,546	687,546
Nil (30 June 2008: 2,250,000) $1.00 director incentive options	-	2,357,250	-	2,357,250
2,500,000 (30 June 2008: Nil) $1.00 unlisted options	1,477,000	-	1,477,000	-
2,160,000 (30 June 2008: 2,280,000) $1.86 incentive options	2,162,448	1,405,017	2,162,448	1,405,017
787,500 (30 June 2008: 450,000) $1.00 incentive options	215,738	23,160	215,738	23,160
	6,551,532	**4,472,973**	**6,551,532**	**4,472,973**
Net Unrealised Gains Reserve	-	-	-	-
Foreign Currency Translation Reserve	(184,710)	(23,704)	-	-
	6,366,822	**4,449,269**	**6,551,532**	**4,472,973**

Nature and Purpose of Reserves

(i) *Option Premium Reserve*

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

(ii) *Net Unrealised Gains Reserve*

Changes in the fair value and exchange differences arising on translation of investments classified as available-for-sale financial assets are taken to the net unrealised gains reserve as described in Note 1(m). Amounts are recognised in profit and loss when the associated assets are sold or impaired.

(iii) *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(f). The reserve is recognised in profit and loss when the net investment is disposed of.

15. RESERVES (Continued)

(b) Movements During the Past Two Years:

Option Premium Reserve

Date	Details	Number of Listed Options	Number of $0.70 Unlisted Options	Number of $1.00 Director Incentive Options	Number of Director Incentive Options ($ various)	Number of $1.00 Unlisted Options	Number of $1.86 Incentive Options	Number of $1.00 Incentive Options	Fair Value $	$
1 Jul 2007	**Opening Balance**	**-**	**10,600,000**	**2,250,000**	**2,000,000**	**-**	**-**	**-**	**-**	**3,482,581**
6 Aug 2007	Grant to Employees	-	-	-	-	-	2,970,000	-	1.121	1,830,219
30 Sep 2007	Exercise of Options	-	-	-	(2,000,000)	-	-	-	-	(437,000)
20 Jun 2008	Grant to Employees	-	-	-	-	-	-	450,000	0.491	23,160
	Cancellation of Options	-	-	-	-	-	(690,000)	-	-	(425,987)
30 Jun 2008	**Closing Balance**	**-**	**10,600,000**	**2,250,000**	**-**	**-**	**2,280,000**	**450,000**		**4,472,973**
1 Jul 2008	**Opening Balance**	**-**	**10,600,000**	**2,250,000**	**-**	**-**	**2,280,000**	**450,000**	**-**	**4,472,973**
18 Jul 2008	Grant to Employees	-	-	-	-	-	-	287,500	0.566	-
27 Nov 2008	Grant to Director	-	-	-	-	-	-	250,000	0.097	-
30 Nov 2008	Expiry of Options	-	-	(2,250,000)	-	-	-	-	-	(2,357,250)
31 Dec 2008	Cancellation of Options	-	-	-	-	-	(120,000)	(200,000)	-	(79,095)
15 May 2009	Free attaching Options	7,000,000	-	-	-	-	-	-	-	-
	Placement fee	-	-	-	-	2,500,000	-	-	0.591	1,477,000
	Grant to Directors	3,000,000	-	-	-	-	-	-	0.670	2,008,800
12 Jun 2009	Free attaching Options	2,532,219	-	-	-	-	-	-	-	-
22 Jun 2009	Free attaching Options	407,537	-	-	-	-	-	-	-	-
30 Jun 2009	Options vesting expense	-	-	-	-	-	-	-	-	1,029,104
30 Jun 2009	**Closing Balance**	**12,939,756**	**10,600,000**	**-**	**-**	**2,500,000**	**2,160,000**	**787,500**		**6,551,532**

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
15. RESERVES (Continued)				
(b) Movements During the Past Two Years (Continued)				
Foreign Currency Translation Reserve				
Opening balance	(23,704)	(21,962)	-	-
Translation of foreign operations	(161,006)	(1,742)	-	-
Closing balance	**(184,710)**	**(23,704)**	**-**	**-**
Net Unrealised Gains Reserve				
Opening balance	-	1,144,000	-	1,144,000
Realisation of available for sale financial assets	-	(1,144,000)	-	(1,144,000)
Closing balance	**-**	**-**	**-**	**-**
16. ACCUMULATED LOSSES				
Balance at beginning of year	(20,890,335)	(13,885,879)	(13,568,370)	(12,738,389)
Transfer from option premium reserve	2,397,556	-	2,397,556	-
Net loss	(10,009,206)	(7,004,456)	(29,276,200)	(829,981)
Balance at end of year	**(28,501,985)**	**(20,890,335)**	**(40,447,014)**	**(13,568,370)**

(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.

17. MINORITY INTERESTS				
Interest in:				
Capital	17,670	13,586	-	-
Reserves	(290)	(85)	-	-
Accumulated losses	(16,282)	(12,014)	-	-
	1,098	**1,487**	**-**	**-**

18. BUSINESS COMBINATION

(a) Acquisition of Geothermal Energy Sources, S.L.

On 15 May 2009, Berkeley Exploration Limited acquired 100% of the voting shares of Geothermal Energy Sources, S.L., an unlisted Spanish company. Geothermal Energy Sources, S.L. holds a number of applications for exploration licenses in Spain.

The total cost of the combination to acquire the shares was $36,036 (€20,000).

	Consolidated		
	Pre-acquisition carrying values $	Fair value adjustments $	Recognised values on acquisition $
Cash and cash equivalents	20,005	-	20,005
Exploration and evaluation assets	80,680	53,046	133,726
Trade and other receivables	10,487	-	10,487
Trade and other payables	(128,182)	-	(128,182)
Identifiable net assets	(17,010)	53,046	36,036
Goodwill on acquisition			-
			36,036
Net cash outflow on acquisition:			
Net cash acquired with subsidiary			20,005
Cash paid			(36,036)
Net consolidated cash outflow			(16,031)

From the date of acquisition, Geothermal Energy Sources, S.L. has contributed a loss of $4,121 to the net loss of the Group. If the combination had taken place at the beginning of the year, the net loss of the Group would have been $10,068,433 and the revenues would have been $700,250.

19. 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	
		2009 %	2008 %	2009 $	2008 $
Minera de Rio Alagon. S.L.	Spain	99.903	99.9	5,484,412	14,307,715
Berkeley Exploration Ltd	UK	100	100	-	-
Berkeley Minera Espana, S.A.	Spain	100[(2)]	-	-	-
Geothermal Energy Sources, S.L.	Spain	100[(3)]	-	-	-
North Asia Metals Pty Ltd	Australia	-	100[(4)]	-	-
				5,484,412	**14,307,715**

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 $5,484,412 (2008: $14,307,715), being the cost of the investment less provision for impairment (refer Note 10).

(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.

(3) Berkeley Exploration Limited acquired 100% of the issued shares in Geothermal Energy Sources, S.L. on 15 May 2009 (refer Note 18).

(4) The Company applied to de-register North Asia Metals Pty Ltd in June 2008 and this de-registration was approved by the Australian Securities & Investment Commission with effect from 27 August 2008.

(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 20.

(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 $4,204,000 to Minera de Rio Alagon, S.L. by way of intercompany loan. On 20 March 2009, an amount of $4,629,465, including the opening balance of $492,681 was converted to contributed equity. A foreign exchange gain of $377,219 on the balance of the loan (previously denominated in Euro) was also recognised in the Parent accounts for the period from 1 July 2008 to 20 March 2009. The remaining balance at 30 June 2009 of $444,436 has been provided for. With effect from 20 March 2009, the loan is denominated in Australian dollars (A$);

- Berkeley Resources Limited advanced $10,718,462 to Berkeley Exploration Limited by way of intercompany loan (2008: nil). The total balance at 30 June 2009 of $10,719,679 has been provided for. The loan is denominated in Australian dollars (A$);

19. RELATED PARTY DISCLOSURES (Continued)

(d) Transactions with Related Parties in the Consolidated Group (Continued)

- Berkeley Exploration Limited advanced $10,641,066 to Berkeley Minera Espana, S.A. by way of intercompany loan (2008: nil). The loan is denominated in Australian dollars (A$); and
- Minera de Rio Alagon, S.L. advanced $98,757 to Geothermal Energy Sources, S.L. by way of intercompany loan (2008: nil). This loan is denominated in Euros (€).

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 feasibility study.

20. 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	
Robert Hawley	Non-Executive Chairman
Matthew Syme	Managing Director
Scott Yelland	Chief Operating Officer / Executive Director
Sean James	Non-Executive Director
Jose Ramon Esteruelas	Non-Executive Director
James Ross	Non-Executive Director
Stephen Dattels	Non-Executive Director (Resigned 14 September 2009)
Executives	
Clint McGhie	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 2008 until the date of this report.

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

(b) Key Management Personnel Compensation

	Consolidated		Parent	
	2009 $	**2008 $**	**2009 $**	**2008 $**
Short-term benefits	885,879	899,935	885,879	899,935
Post-employment benefits	70,029	72,325	70,029	72,325
Share-based payments	2,370,593	616,235	2,370,593	616,235
Other non-cash benefits	37,735	22,730	37,735	22,730
	3,364,236	**1,611,225**	**3,364,236**	**1,611,225**

Key Management Personnel disclosures previously required by AASB 124 Related Party Disclosures paragraphs Aus25.2 to Aus25.6 and Aus25.7.1 and Aus25.7.2 are included the Remuneration Report section of the Directors' Report.

(c) Optionholdings of Key Management Personnel

2009	Held at 1 July 2008 (#)	Granted as Compen-sation (#)	Options Expired (#)	Net Other Changes (#)	Held at 30 June 2009 (#)	Vested and exercisable at 30 June 2009 (#)
Directors						
Robert Hawley	500,000	500,000	(500,000)	-	500,000	500,000
Matthew Syme	1,000,000	1,000,000	(1,000,000)	69,002(i)	1,069,002	1,069,002
Scott Yelland	1,000,000	500,000	-	-	1,500,000	666,666
Sean James	250,000	250,000	(250,000)	-	250,000	250,000
James Ross	250,000	250,000	(250,000)	7,500(i)	257,500	257,500
Jose Ramon Esteruelas	250,000	500,000	(250,000)	-	500,000	500,000
Stephen Dattels	-(ii)	250,000	-	2,500,000(iii)	2,750,000	2,750,000
Executives						
Clint McGhie	-	-	-	-	-	-

Notes

(i) Mr Syme and Dr Ross acquired these options under the non-renounceable rights issue as free attaching options on the basis of 1 option for every 2 shares subscribed for in the rights issue, on terms no more favourable than to other unrelated parties.

(ii) Mr Dattels was appointed a Director of the Company on 15 May 2009 and this balance refers to the number of Options held as at 15 May 2009.

(iii) Mr Dattels has an indirect interest in Regent Resources Capital Corporation, which was issued 2,500,000 $1.00 unlisted options expiring 31 May 2013 on 15 May 2009 as an advisory fee for the placement of securities to a number of corporate and institutional investors.

2008	Held at 1 July 2007 (#)	Granted as Compen-sation (#)	Options Exercised (#)	Net Other Changes (#)	Held at 30 June 2008 (#)	Vested and exercisable at 30 June 2008 (#)
Directors						
Robert Hawley	500,000	-	-	-	500,000	500,000
Matthew Syme	3,000,000	-	(2,000,000)	-	1,000,000	1,000,000
Scott Yelland	-	1,000,000	-	-	1,000,000	-
Sean James	250,000	-	-	-	250,000	250,000
James Ross	250,000	-	-	-	250,000	250,000
Jose Ramon Esteruelas	250,000	-	-	-	250,000	250,000
Executives						
Shane Cranswick	-	-	-	-	-(i)	-
Clint McGhie	-(ii)	-	-	-	-	-

20. DIRECTOR AND EXECUTIVE DISCLOSURES (Continued)

(c) Optionholdings of Key Management Personnel (Continued)

Notes

(i) Mr Cranswick ceased to be Company Secretary on 28 September 2007 and this balance refers to the number of Shares held as at 28 September 2007.

(ii) Mr McGhie was appointed Company Secretary on 28 September 2007 and this balance refers to the number of Shares held at 28 September 2007.

(d) Shareholdings of Key Management Personnel

2009	Held at 1 July 2008 (#)	Granted as Compen-sation (#)	On Exercise of Options (#)	Net Other Changes (#)	Held at 30 June 2009 (#)
Directors					
Robert Hawley	-	-	-	-	-
Matthew Syme	2,760,100	-	-	138,005(i)	2,898,105
Scott Yelland	-	-	-	-	-
Sean James	-	-	-	-	-
James Ross	300,000	-	-	15,000(i)	315,000
Jose Ramon Esteruelas	-	-	-	-	-
Stephen Dattels	-(ii)	-	-	-	-
Executives					
Clint McGhie	-	-	-	-	-

Notes

(i) Mr Syme and Dr Ross acquired these shares under the public pro-rata rights issue at an issue price of $0.50 each on the basis of one new share for every twenty existing shares held at the entitlement date. The shares were subscribed for on terms no more favourable than to other unrelated parties.

(ii) Mr Dattels was appointed a Director on 15 May 2009 and this balance refers to the number of shares held as at 15 May 2009.

2008	Held at 1 July 2007 (#)	Granted as Compen-sation (#)	On Exercise of Options (#)	Sales (#)	Held at 30 June 2008 (#)
Directors					
Robert Hawley	-	-	-	-	-
Matthew Syme	760,100	-	2,000,000	-	2,760,100
Scott Yelland	-	-	-	-	-
Sean James	-	-	-	-	-
James Ross	300,000	-	-	-	300,000
Jose Ramon Esteruelas	-	-	-	-	-
Executives					
Shane Cranswick	55,000	-	-	(30,000)	25,000(i)
Clint McGhie	-(ii)	-	-	-	-

Notes

(i) Mr Cranswick ceased to be Company Secretary on 28 September 2007 and this balance refers to the number of Shares held as at 28 September 2007.

(ii) Mr McGhie was appointed Company Secretary on 28 September 2007 and this balance refers to the number of Shares held at 28 September 2007.

21. SHARE-BASED PAYMENTS

(a) Recognised Share-Based Payment Expense

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
Expense arising from equity-settled share-based payment transactions to:				
Employees	(2,999,115)	(1,428,177)	(2,999,115)	(1,428,177)
Total expense arising from share-based payment transactions(i)	**(2,999,115)**	**(1,428,177)**	**(2,999,115)**	**(1,428,177)**

Note

(i) In addition to share-based payment expenses included in the Income Statement, share issue costs of $1,477,000 arising from equity-settled share-based payment transactions during the year ended 30 June 2009 have been recognised directly in equity. Refer to Note 26(d) for further details.

21. SHARE-BASED PAYMENTS (Continued)

(b) Summary of Options Granted

The following share-based payment arrangements were in existence during the past two years:

Option Series	Number	Grant Date	Expiry Date	Exercise Price $	Grant Date Fair Value $
2009					
Series 1	287,500	18-Jul-08	19-Jun-12	1.00	0.566
Series 2	250,000	27-Nov-08	19-Jun-12	1.00	0.097
Series 3	3,000,000	6-May-09	15-May-13	0.75	0.670
Series 4	2,500,000	15-May-09	31-May-13	1.00	0.591
2008					
Series 1	2,970,000	6-Aug-07	5-Aug-11	1.86	1.121
Series 2	450,000	21-Apr-08	19-Jun-12	1.00	0.491

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

	2009 Number	2009 WAEP	2008 Number	2008 WAEP
Outstanding at beginning of year	15,580,000	$0.92	14,850,000	$0.68
Granted by the Company during the year	6,037,500	$0.88	3,420,000	$1.75
Exercised during the year	-	-	(2,000,000)	$0.225
Expired during the year	(2,250,000)	$1.00	-	-
Forfeited during the year	(320,000)	$1.32	(690,000)	$1.86
Outstanding at end of year	**19,047,500**	**$0.89**	**15,580,000**	**$0.92**

The outstanding balance of options issued as share-based payments on issue as at 30 June 2009 is represented by:

- 3,000,000 listed options at an exercise price of $0.75 each that expire on 15 May 2013;
- 10,600,000 unlisted options at an exercise price of $0.70 each that expire on 30 April 2010;
- 2,160,000 unlisted incentive options at an exercise price of $1.86 each that expire on 5 August 2011;
- 787,500 unlisted incentive options at an exercise price of $1.00 each that expire on 19 June 2012; and
- 2,500,000 unlisted options at an exercise price of $1.00 each that expire on 31 May 2013.

(c) Weighted Average Remaining Contractual Life

The weighted average remaining contractual life for share options issued as share-based payments outstanding as at 30 June 2009 is 1.95 years (2008: 1.88 years).

(d) Range of Exercise Prices

The range of exercise prices for share options issued as share-based payments outstanding as at 30 June 2009 was $0.70 to $1.86 (2008: $0.70 to $1.86).

(e) Weighted Average Fair Value

The weighted average fair value of options granted by the Group as equity-settled share-based payments during the year ended 30 June 2009 was $0.608 (2008: $1.038).

(f) Option 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 following table lists the inputs to the valuation model used for share options granted by the Group during the years ended 30 June 2009 and 30 June 2008:

2009	2009 Option Series			
Inputs	Series 1	Series 2	Series 3	Series 4
Exercise price	$1.00	$1.00	$0.75	$1.00
Grant date share price	$0.90	$0.255	$0.974	$0.94
Dividend yield (i)	-	-	-	-
Volatility (ii)	85%	95%	85%	85%
Risk-free interest rate	6.38%	3.54%	4.23%	4.36%
Grant date	18-Jul-08	19-Dec-08	6-May-09	15-May-09
Expiry date	19-Jun-12	19-Jun-12	15-May-13	31-May-13
Expected life of option (iii)	3.92	3.5	4.02	4.04
Fair value at grant date	$0.566	$0.097	$0.6696	$0.5908

2008	2008 Option Series	
Inputs	Series 1	Series 2
Exercise price	$1.86	$1.00
Grant date share price	$1.75	$0.75
Dividend yield (i)	-	-
Volatility (ii)	85%	85%
Risk-free interest rate	6.16%	6.78%
Grant date	6-Aug-07	21-Apr-08
Expiry date	5-Aug-11	19-Jun-12
Expected life of option (iii)	4.00 years	4.00 years
Fair value at grant date	$1.121	$0.491

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.

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
22. REMUNERATION OF AUDITORS				
Amounts received by Stantons International for:				
- an audit or review of the financial reports of the Company	29,376	44,118	29,376	44,118
- other services in relation to the Company	-	-	-	-
	29,376	**44,118**	**29,376**	**44,118**
Other auditors for:				
- an audit or review of the financial reports	30,912	13,933	-	-
- other services	2,766	-	-	-
Total Auditors Remuneration	**63,054**	**58,051**	**29,376**	**44,118**

23. COMMITMENTS FOR EXPENDITURE

The Consolidated Entity has the following commitments at 30 June 2009:

(a) Quercus Plant Maintenance

Under the terms of the Co-operation Agreement between ENUSA Industrias Avanzadas, S.A. (“ENUSA”) and Berkeley, the Spanish subsidiary Berkeley Minera Espana, S.A. will assume 50% of the direct costs of maintaining the Quercus plant, up to a maximum of €250,000 ($436,376) per annum, over the feasibility study period. The maintenance costs will be payable by Berkeley Minera Espana quarterly in arrears upon receipt of invoice. The feasibility study period is 18 months from commencement on 26 May 2009. The feasibility study period may be extended by Berkeley for one additional period of 12 months with the payment of an additional €1 million (A$1.75 million) to ENUSA.

An accrual based on the maximum maintenance cost payable by Berkeley Minera Espana has been recognised for the period from commencement to 30 June 2009.

The following commitment assumes that Berkeley Minera Espana will be required to contribute the maximum €250,000 ($436,376) per annum for the remainder of the feasibility study period. For the purpose of determining the value of the commitment, it has been assumed that the feasibility study will be concluded in the original 18 month period as it is considered too early to determine if the additional period of 12 months will be required.

Maximum Quercus plant maintenance payable:				
- Not longer than 1 year	436,376	-	-	-
- Longer than 1 year and not longer than 5 years	176,942	-	-	-
- Longer than 5 years	-	-	-	-
	613,318	**-**	**-**	**-**

(b) Operating Lease Commitment

Minera de Rio Alagon, S.L. has a non-cancellable operating lease agreement expiring 9 November 2012. This operating lease is for the office premises for the Group’s operations in Salamanca, Spain.

Minimum lease payments payable:				
- Not longer than 1 year	37,647	-	-	-
- Longer than 1 year and not longer than 5 years	90,982	-	-	-
- Longer than 5 years	-	-	-	-
	128,629	**-**	**-**	**-**

(c) Royalty

The Acquisition and Joint Venture Agreement ("Agreement") dated 28 September 2005 between Berkeley and the Founding Shareholders of Minera de Rio Alagon, S.L., grants a royalty payable by Minera de Rio Alagon to the founding shareholders upon completion of Stage 2. The parties have agreed that conditions for completion of Stage 2 have been met with the royalty payable quarterly in arrears from 1 April 2009.

The Agreement provides for a 3% royalty on the proceeds of sales of the uranium, the uranium concentrates and/or uranium minerals produced by Minera de Rio Alagon from any mineral rights belonging to or falling under the control of Minera de Rio Alagon. The agreement provides that a minimum royalty is payable after the completion of Stage 2, payable irrespective of production, as follows:

(a) Year 1 - €100,000 (A$174,551);
(b) Year 2 - €200,000 (A$349,101);
(c) Year 3 - €300,000 (A$523,652);
(d) Year 4 - €400,000 (A$698,202); and
(e) Year 5 and thereafter - €500,000 (A$872,753).

The royalty for the first quarter ending 30 June 2009 has been accrued at year end and paid post year end.

Under the Agreement, Minera de Rio Alagon and the Founding Shareholders are required to negotiate in good faith the terms of a full royalty agreement based on the above, prior to the completion of Stage 2. The commitments are still subject to or dependent on a good faith "full terms'' royalty agreement being finalised.

24. SEGMENT INFORMATION

The Group operates in the mineral exploration industry in the following geographical segments:

Geographical Segment	Australia 2009 $	Australia 2008 $	Spain 2009 $	Spain 2008 $	Consolidated Entity 2009 $	Consolidated Entity 2008 $
Revenue						
Other revenues	696,855	3,408,212	3,395	421	700,250	3,408,633
Unallocated revenue					-	-
Total revenue					**700,250**	**3,408,633**
Results						
Segment result	(3,561,308)	709,947	(6,452,262)	(9,507,398)	(10,013,570)	(8,797,451)
Unallocated (expenses)/income					(378)	314
Loss before income tax expense					(10,013,948)	(8,797,137)
Income tax expense					-	-
Loss attributable to minority interests					4,742	1,792,681
Net loss					**(10,009,206)**	**(7,004,456)**
Assets						
Segment assets	10,524,101	17,760,067	17,780,561	8,267,501	28,304,662	26,027,568
Unallocated assets					-	-
Total assets					**28,304,662**	**26,027,568**
Liabilities						
Segment liabilities	509,750	215,236	537,732	807,069	1,047,482	1,022,305
Unallocated liabilities					-	-
Total liabilities					**1,047,482**	**1,022,305**
Other						
Acquisition of property, plant and equipment	254	11,244	74,470	447,511	74,724	458,755
Depreciation/amortisation of segment assets	9,134	16,375	88,176	172,036	97,310	188,411
Expenditure on capitalised exploration expenditure	-	-	8,987,337	78,313	8,987,337	78,313

25. EARNINGS PER SHARE

	Consolidated	
	2009 Cents per Share	2008 Cents per Share
(a) Basic Profit/(Loss) per Share		
From continuing operations	(9.47)	(6.80)
From discontinued operations	-	-
Total basic profit/(loss) per share	**(9.47)**	**(6.80)**
(b) Diluted Profit/(Loss) per Share		
From continuing operations	(9.47)	(6.80)
From discontinued operations	-	-
Total diluted profit/(loss) per share	**(9.47)**	**(6.80)**

(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	
	2009 $	2008 $
Net loss used in calculating basic and diluted earnings per share	**(10,009,206)**	**(7,004,456)**

(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 2009	Number of Shares 2008
Weighted average number of ordinary shares used in calculating basic earnings per share	105,678,164	103,072,569
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	**105,678,164**	**103,072,569**

Note

(i) At 30 June 2009, 28,987,256 options (which represent 28,987,256 potential ordinary shares) were considered not dilutive as they would decrease the loss per share for the year ended 30 June 2009.

(e) Conversions, Calls, Subscriptions or Issues after 30 June 2009

Since 30 June 2009, no Employee Incentive Options have been issued which represent potential ordinary shares.

Since 30 June 2009, there have been 15,033 shares issued as a result of the exercise of options.

Other than the above, 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.

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
26. 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	(10,013,948)	(8,797,137)	(29,276,200)	(829,981)
Adjustment for non-cash income and expense items				
Provision for employee entitlements	117,455	10,097	9,115	10,097
Provision for exploration expenditure	433,327	-	137,000	-
Provision for intercompany loans	-	-	11,164,115	-
Provision for investment in subsidiary	-	-	13,455,768	-
Provision for incorporation expenses	2,339	-	-	-
Provision for maintenance	42,205	-	-	-
Depreciation	97,310	188,411	9,134	16,375
Foreign exchange movement	(8,426)	51,304	(377,220)	52,263
Profit on disposal of assets	-	(1,934,785)	-	(1,934,785)
Share based payments expensed	2,999,115	1,428,177	2,999,115	1,428,177
Changes in assets and liabilities net of acquisition of subsidiaries				
(Increase)/decrease in trade and other receivables	(175,890)	(962,960)	77,880	(103,105)
Increase/(decrease) in trade and other payables	(376,328)	335,827	168,082	(165,417)
Net cash outflow from operating activities	**(6,882,841)**	**(9,681,066)**	**(1,633,211)**	**(1,526,376)**
(b) Reconciliation of Cash and Cash Equivalents				
Cash at bank and on hand	2,454,517	2,192,253	1,445,183	1,506,509
Bank short term deposits	9,025,037	15,978,918	9,025,037	15,978,918
	11,479,554	**18,171,171**	**10,470,220**	**17,485,427**

(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

(i) *30 June 2009*

On 15 May 2009, Berkeley completed a placement of 14 million Shares at $0.50 each and 7 million free attaching listed options to corporate and institutional investors, to raise $7 million before costs. An advisory fee of 2.5 million unlisted options exercisable at $1.00 on or before 31 May 2013 was granted to Regent Resources Capital Corporation.

The Directors have sought independent advice regarding the fair value of the 2.5 million unlisted options exercisable at $1.00 on or before 31 May 2013. Based on this advice the Board has determined the value to be $1,477,000 (for details on the valuation of the options including models and assumptions used, please refer to Note 21 to the Financial Statements). The fair value of this equity-settled share-based payment has been recognised directly in equity.

(ii) *30 June 2008*

During the year ended 30 June 2008, there were no non-cash financing or investment activities.

27. 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:

27. FINANCIAL INSTRUMENTS (continued)

(b) Credit Risk (continued)

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
Current Assets				
Cash and cash equivalents	11,479,554	18,171,171	10,470,220	17,485,427
Trade and other receivables	1,529,241	1,289,281	43,595	121,474
Other financial assets	107,956	-	-	-
	13,116,751	19,460,452	10,513,815	17,606,901
Non-current Assets				
Other receivables	-	-	-	493,899
Other financial assets	279,276	119,228	3,000	3,000
	279,276	119,228	3,000	496,899
	13,396,027	**19,579,680**	**10,516,815**	**18,103,800**

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 intercompany receivables, 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 2008 and 2009, 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.

2009	≤ 6 months $	6 - 12 months $	1 - 5 years $	≥ 5 years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	11,479,554	-	-	-	11,479,554
Trade and other receivables	1,529,241	-	-	-	1,529,241
Other financial assets	-	107,956	279,276	-	387,232
	13,008,795	**107,956**	**279,276**	**-**	**13,396,027**
Financial Liabilities					
Trade and other payables	838,902	-	-	-	838,902
Other financial liabilities	10,768	-	-	-	10,768
	849,670	**-**	**-**	**-**	**849,670**
Company					
Financial Assets					
Cash and cash equivalents	10,470,220	-	-	-	10,470,220
Trade and other receivables	43,595	-	-	-	43,595
Other financial assets	-	-	3,000	-	3,000
	10,513,815	**-**	**3,000**	**-**	**10,516,815**
Financial Liabilities					
Trade and other payables	456,340	-	-	-	456,340
	456,340	**-**	**-**	**-**	**456,340**

2008	≤ 6 months $	6 - 12 months $	1 - 5 years $	≥ 5 years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	18,171,171	-	-	-	18,171,171
Trade and other receivables	1,289,281	-	-	-	1,289,281
Other financial assets	-	-	119,228	-	119,228
	19,460,452	**-**	**119,228**	**-**	**19,579,680**
Financial Liabilities					
Trade and other payables	978,010	-	-	-	978,010
	978,010	**-**	**-**	**-**	**978,010**
Company					
Financial Assets					
Cash and cash equivalents	17,485,427	-	-	-	17,485,427
Trade and other receivables	121,474	-	-	493,899	615,373
Other financial assets	-	-	3,000	-	3,000
	17,606,901	**-**	**3,000**	**493,899**	**18,103,800**
Financial Liabilities					
Trade and other payables	170,941	-	-	-	170,941
	170,941	**-**	**-**	**-**	**170,941**

27. FINANCIAL INSTRUMENTS (continued)

(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:

	Consolidated		Parent	
	2009 $	2008 $	2009 $	2008 $
Interest-bearing Financial Instruments				
Cash at bank and on hand	2,454,517	2,192,253	1,445,183	1,506,509
Bank short term deposits	9,025,037	15,978,918	9,025,037	15,978,918
	11,479,554	**18,171,171**	**10,470,220**	**17,485,427**

The Group's cash at bank and on hand and short term deposits had a weighted average floating interest rate at year end of 3.04% (2008: 7.38%).

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 2008.

	Profit or Loss		Equity	
	10% Increase	10% Decrease	10% Increase	10% Decrease
2009				
Group				
Cash and cash equivalents	**45,069**	**(45,069)**	**45,069**	**(45,069)**
Company				
Cash and cash equivalents	**42,493**	**(42,493)**	**42,493**	**(42,493)**
2008				
Group				
Cash and cash equivalents	**161,279**	**(161,279)**	**161,279**	**(161,279)**
Company				
Cash and cash equivalents	**157,986**	**(157,986)**	**157,986**	**(157,986)**

(e) Foreign Currency Risk

As a result of activities overseas, the Company's and Group's balance sheet 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 controlling interest in Minera del Rio Alagon, S.L., whose functional currency is the Euro. In addition, during the year ended 30 June 2009, the Company incorporated a new Spanish subsidiary, Berkeley Minera Espana, S.A., and acquired a 100% interest in another Spanish company, Geothermal Energy Sources, S.L., both of 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 2009 would have decreased/increased the net assets of the Spanish controlled entities by (A$224,709) and A$274,644 (2008: (A$105,460) and A$128,895).

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 2008 has been performed on the same basis.

(f) Equity Price Risk

The Group is exposed to equity price risk arising from its equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments and no hedging or derivative transactions have been used to manage equity price risk. Following disposal in January 2008, the Group does not have any equity investments in listed entities.

Equity price sensitivity

There is no effect on the net loss or equity reserves as at 30 June 2009 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, gold and other base metal 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.

27. FINANCIAL INSTRUMENTS (continued)

(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.

28. CONTINGENT LIABILITIES

The Group had contingent liabilities at 30 June 2009 in respect of:

(a) Claim

A claim for unfair dismissal by an employee has been made against Minera de Rio Alagon, S.L. (“MRA”). The maximum amount of the claim by the employee is €127,290 (A$222,185). Based on legal advice received, an amount of €58,755 (A$102,557) has been included as a provision as at 30 June 2009. The case is currently before the Spanish courts and a result is not expected until late October 2009.

29. SUBSEQUENT EVENTS

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

- Mr Stephen Dattels resigned as a Director of Berkeley with effect from 14 September 2009.

Other than the above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2009 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2009, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2009, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2009, 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 Company and of the Consolidated Entity are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with accounting standards and the Corporations Act 2001; 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 2009.

On behalf of the Board.

MATTHEW SYME
Managing Director

Perth, 30 September 2009

AUDITOR'S INDEPENDENCE DECLARATION

Stantons International
ABN 41 103 088 697
LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stantons.com.au

30 September 2009

Board of Directors
Berkeley Resources Limited
9th Floor BGC Centre
28 The Esplanade
PERTH WA 6000

Dear Sirs

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 Audit Director for the audit of the financial statements of Berkeley Resources Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely
STANTONS INTERNATIONAL
(Authorised Audit Company)

Keith Lingard
Director

Member of Russell Bedford International
Russell Bedford

Stantons International
ABN 41 103 088 697
LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
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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 balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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 entity's preparation and fair presentation of the financial report 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 entity'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.

Member of Russell Bedford International

INDEPENDENT AUDITOR'S 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*.

Auditor's 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 company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

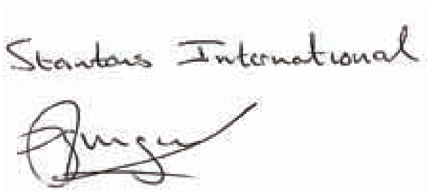
(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(b).

Report on the Remuneration Report

We have audited the remuneration report included in pages 27 to 33 of the directors' report for the year ended 30 June 2009. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion
In our opinion the remuneration report of Berkeley Resources Limited for the year ended 30 June 2009 complies with section 300 A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL
(An Authorised Audit Company)



Keith Lingard
Director

West Perth, Western Australia
30 September 2009

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Berkeley Resources Limited is responsible for its corporate governance, that is, the system by which the Group is managed.

1. BOARD OF DIRECTORS

1.1 Role of the Board and Management

The Board represents shareholders' interests in continuing a successful business, which seeks to optimise medium to long-term financial gains for shareholders. By not focusing on short-term gains for shareholders, the Board believes that this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Group is managed in such a way to best achieve this desired result. Given the current size and operations of the business, the Board currently undertakes an active, not passive role.

The Board is responsible for evaluating and setting the strategic directions for the Group, establishing goals for management and monitoring the achievement of these goals. The Managing Director is responsible to the Board for the day-to-day management of the Group.

The Board has sole responsibility for the following:

- Appointing and removing the Managing Director and any other executives and approving their remuneration;
- Appointing and removing the Company Secretary / Chief Financial Officer and approving their remuneration;
- Determining the strategic direction of the Group and measuring performance of management against approved strategies;
- Review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- Adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the Group's medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the Group's financial affairs;
- Review and ratify systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the Group's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board's role and the Group's corporate governance practices are being continually reviewed and improved as required.

CORPORATE GOVERNANCE STATEMENT

1. BOARD OF DIRECTORS (Continued)

1.2 Composition of the Board and New Appointments

The Company currently has the following Board members:

Dr Robert Hawley	Non-Executive Chairman
Mr Matthew Syme	Managing Director
Mr Scott Yelland	Executive Director
Mr Sean James	Non-Executive Director
Dr James Ross	Non-Executive Director
Snr Jose Ramon Esteruelas	Non-Executive Director

Details of the directors, including their qualifications, experience and date of appointment are set out in the Directors' Report.

The Company's Constitution provides that the number of directors shall not be less than three and not more than ten. There is no requirement for any share holding qualification.

The Board has assessed the independence status of the directors and has determined that there are two independent directors, being Dr Hawley and Senor Esteruelas.

The Board has followed the ASX Corporate Governance Principles and Recommendations when assessing the independence of the directors which define an independent director to be a director who:

- is non-executive;
- is not a substantial shareholder (i.e. greater than 5%) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold such employment;
- within the last three years has not been a principal or employee of a material professional adviser or a material consultant to the Company or another Group member;
- is not a significant supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant supplier or customer;
- has no material contractual relationship with the Company or another Group member other than as a director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount which is greater than five percent of either the net assets of the Company or an individual director's net worth is considered material for these purposes.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of additional independent Non-Executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.

If the Group's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of directors required for the Board to properly perform its responsibilities and functions will be appointed.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Group's scope of activities, intellectual ability to contribute to the Board's duties and physical ability to undertake the Board's duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next annual general meeting. Under the Company's Constitution the tenure of directors (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his last appointment. Subject to the requirements of the Corporations Act 2001, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

1.3 Committees of the Board

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

The Board has also established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required.

If the Group's activities increase in size, scope and nature, the appointment of separate or special committees will be reviewed by the Board and implemented if appropriate.

The Company continues to monitor its compliance with Listing Rule 12.7 with respect to the requirement to have an audit committee and to comply with the best practice recommendations set by the ASX Corporate Governance Council in relation to the composition, operation and responsibility of the audit committee.

1.4 Conflicts of Interest

In accordance with the Corporations Act and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. Where the Board believes that a significant conflict exists the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

1.5 Independent Professional Advice

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

2. ETHICAL STANDARDS

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Group.

2.1 Code of Conduct for Directors

The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision-making by the Directors. The code is based on a code of conduct for Directors prepared by the Australian Institute of Company Directors.

The principles of the code are:

- A director must act honestly, in good faith and in the best interests of the company as a whole.
- A director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A director must use the powers of office for a proper purpose, in the best interests of the company as a whole.
- A director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the company.
- A director must not make improper use of information acquired as a director.
- A director must not take improper advantage of the position of director.
- A director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the company.
- A director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken as a Board.
- Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.
- A director should not engage in conduct likely to bring discredit upon the company.
- A director has an obligation at all times, to comply with the spirit, as well as the letter of the law and with the principles of the Code.

The principles are supported by guidelines as set out by the Australian Institute of Company Directors for their interpretation. Directors are also obliged to comply with the Company's Code of Ethics and Conduct, as outlined below.

2.2 Code of Ethics and Conduct

The Group has implemented a Code of Ethics and Conduct, which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Group.

All employees and directors are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse Group information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Group's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Ethics and Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must report that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

2.3 Dealings in Company Securities

The Company's share trading policy imposes basic trading restrictions on all Directors and employees of the Group. Directors and employees must not:

- deal in the Company's securities on considerations of a short term nature and must also take reasonable steps to prevent any person connected with them from doing the same;
- deal in the Company's securities during a close period; and
- deal in any of the Company's securities if they have unpublished price-sensitive information.

A 'close period' is:

- the period of two months immediately preceding the preliminary announcement of the Company's annual results; and
- the period of two months immediately preceding the announcement of the Company's half-year results.

'Unpublished price sensitive information' is information that:

- is not generally available; and
- if it were generally available, it would, or would be likely to have a significant effect on the price or value of the Company's securities.

If an employee possesses inside information, the person must not:

- trade in the Company's securities;
- advise others or procure others to trade in the Company's securities; or
- pass on the inside information to others - including colleagues, family or friends - knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the employee or Director learns the information (eg. even if the employee or Director overhears it or is told in a social setting).

2. ETHICAL STANDARDS (Continued)

2.3 Dealings in Company Securities (Continued)

In addition to the above, clearance must be obtained from the Chairman before dealing in any securities and Directors must notify the Company Secretary as soon as practicable, but not later than 5 business days, after they have bought or sold the Company's securities or exercised options. In accordance with the provisions of the Corporations Act and the Listing rules of the ASX, the Company on behalf of the Directors must advise the ASX of any transactions conducted by them in the securities of the Company.

Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

2.4 Interests of Other Stakeholders

The Group's objective is to leverage into resource projects to provide a solid base in the future from which the Group can build its resource business and create wealth for shareholders. The Group'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 the Group to achieve.

To assist in meeting its objective, the Group conducts its business within the Code of Ethics and Conduct, as outlined in 2.2 above.

3. DISCLOSURE OF INFORMATION

3.1 Continuous Disclosure to ASX

The continuous disclosure policy requires all executives and Directors to inform the Managing Director or in their absence the Company Secretary of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

Information need not be disclosed if:

1. It is not material and a reasonable person would not expect the information to be disclosed, or it is material but due to a specific valid commercial reason is not to be disclosed; and
2. The information is confidential; or
3. One of the following applies:
   i. It would breach a law or regulation to disclose the information;
   ii. The information concerns an incomplete proposal or negotiation;
   iii. The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
   iv. The information is generated for internal management purposes;
   v. The information is a trade secret;
   vi. It would breach a material term of an agreement, to which the Group is a party, to disclose the information;
   vii. The information is scientific data that release of which may benefit the Group's potential competitors.

The Managing Director is responsible for interpreting and monitoring the Group's disclosure policy and where necessary informing the Board. The Company Secretary is responsible for all communications with ASX.

3.2 Communication with Shareholders

The Group places considerable importance on effective communications with shareholders.

The Group's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Group. The strategy provides for the use of systems that ensure a regular and timely release of information about the Group is provided to shareholders. Mechanisms employed include:

- Announcements lodged with ASX;
- ASX Quarterly Cash Flow Reports;
- Half Yearly Report;
- Presentations at the Annual General Meeting/General Meeting's; and
- Annual Report.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Group's strategy and goals.

The Group also posts all reports, ASX and media releases and copies of significant business presentations on the Company's website.

4. RISK MANAGEMENT AND INTERNAL CONTROL

4.1 Approach to Risk Management and Internal Control

The identification and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Group's approach to creating long-term shareholder value.

The Group operates a standardised risk management process that provides a consistent framework for the identification, assessment, monitoring and management of material business risks. This process is based on the Australian/New Zealand Standard for Risk Management (AS/NZS 4360 Risk Management) and the Committee of Sponsoring Organisations of the US Treadway Commission (COSO) control framework for enterprise risk management.

Strategic and operational risks are reviewed at least annually as part of the annual strategic planning, business planning, forecasting and budgeting process.

The Group has developed a series of operational risks which the Group believes to be inherent in the industry in which the Group operates having regard to the Group's circumstances (including financial resources, prospects and size). These include:

- fluctuations in commodity prices and exchange rates;
- accuracy of mineral reserve and resource estimates;
- reliance on licenses, permits and approvals from governmental authorities;
- ability to obtain additional financing; and
- changed operating, market or regulatory environments.

These risk areas are provided here to assist investors to understand better the nature of the risks faced by our Group and the industry in which the Group operates. They are not necessarily an exhaustive list.

4. RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

4.2 Risk Management Roles and Responsibilities

Management is responsible for designing, implementing and reporting on the adequacy of the Group's risk management and internal control system. Management reports to the Board annually, or more frequently as required, on the Group's key risks and the extent to which it believes these risks are being managed.

The Board is responsible for reviewing and approving the Group's risk management and internal control system and satisfying itself annually, or more frequently if required, that management has developed and implemented a sound system of risk management and internal control.

In 2009 the Board reviewed the overall risk profile for the Group and received reports from management on the effectiveness of the Group's management of its material business risks.

4.3 Integrity of Financial Reporting

The Board also receives a written assurance from the Chief Executive Officer or equivalent (CEO) and the Chief Financial Officer or equivalent (CFO) that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

The Board notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

4.4 Role of External Auditor

The Group's practice is to invite the auditor (who now must attend) to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

5. PERFORMANCE REVIEW

The Board has adopted a self-evaluation process to measure its own performance and the performance of its committees (if any) during each financial year. Also, an annual review is undertaken in relation to the composition and skills mix of the directors of the Company.

Arrangements put in place by the Board to monitor the performance of the Group's executives include:

- a review by the Board of the Group's financial performance;
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Group;
- an analysis of the Group's prospects and projects; and
- a review of feedback obtained from third parties, including advisors.

The Remuneration Report discloses the process for evaluating the performance of senior executives, including the Managing Director.

In 2009, performance evaluations for senior executives took place in accordance with the process disclosed above and in the Remuneration Report.

6. REMUNERATION ARRANGEMENTS

The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide Executive Directors and executives with a remuneration package consisting of fixed components that reflect the person's responsibilities, duties and personal performance.

In addition to the above, the Group has developed a limited equity-based remuneration arrangement for key executives and consultants.

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to non-executive directors by other companies of similar size in the industry.

The aggregate amount payable to the Company's Non-Executive Directors must not exceed the maximum annual amount approved by the Company's shareholders.

COMPLIANCE WITH ASX CORPORATE GOVERNANCE RECOMMENDATIONS

During the 2009 financial year, the Company complied with the ASX Principles and Recommendations other than in relation to the matters specified below.

Recommendation Ref	Notification of Departure	Explanation for Departure
2.1	A majority of the Board are not independent directors.	The Board considers that the following two out of six Directors are independent directors in accordance with the ASX Corporate Governance Council's definition of independence: Dr Robert Hawley (Independent Non-Executive Chairman) Senor Jose Ramon Esteruelas (Independent Non-Executive Director) The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional independent non-executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.
2.4	A separate Nomination Committee has not been formed.	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate independent consultants are engaged to identify possible new candidates for the Board.
4.1, 4.2, 4.3	A separate Audit Committee has not been formed and there is not an Audit Committee operating charter.	The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems. The Company continues to monitor its compliance with Listing Rule 12.7 with respect to the requirement to have an audit committee and to comply with the best practice recommendations set by the ASX Corporate Governance Council in relation to the composition, operation and responsibility of the audit committee.
8.1	There is no separate Remuneration Committee.	The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company.

As the Company's activities increase in size, scope and/or nature, the Company's corporate governance principles will be reviewed by the Board and amended as appropriate.

Further details of the Company's corporate governance policies and practices are available on the Company's website at www.berkeleyresources.com.au

ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 2 October 2009.

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Shares

Name	No of Ordinary Shares Held	Percentage of Issued Shares
HSBC Custody Nominees (Australia) Limited	22,267,744	18.03
National Nominees Limited	20,930,004	16.95
Merrill Lynch (Australia) Nominees Pty Ltd <Berndale A/C>	16,397,028	13.28
ANZ Nominees Limited <Cash Income A/C>	10,192,918	8.25
Compagnie Generale Des Matieres Nucleaires	3,500,000	2.83
UBS Nominees Pty Ltd	3,266,564	2.65
Mr Doug Gray & Mrs Ghislaine Gray <Glenmore Estate S/Fund A/C>	3,235,874	2.62
Hopetoun Consulting Pty Ltd	2,856,105	2.31
HSBC Custody Nominees (Australia) Limited – A/C 3	2,681,345	2.17
J P Morgan Nominees Australia Limited	2,639,639	2.14
Computershare Clearing Pty Ltd <CCNL DI A/C>	2,232,751	1.81
HSBC Custody Nominees (Australia) Limited – GSCO ECA	1,988,378	1.61
Citicorp Nominees Pty Limited	1,980,083	1.60
Launceston Gasworks Pty Ltd	1,678,753	1.36
Arredo Pty Ltd	1,580,000	1.28
NEFCO Nominees Pty Ltd	1,575,000	1.28
Talbot Group Investments Pty Ltd	1,109,850	0.90
HSBC Custody Nominees (Australia) Limited – GSI EDA	886,737	0.72
Mr Brian Ballard & Mrs Kay Ballard <Ballard Superannuation A/C>	636,016	0.52
D & G Gray Pty Ltd	616,350	0.50
Total Top 20	**102,251,139**	**82.81**
Others	21,235,173	17.19
Total Ordinary Shares on Issue	**123,486,312**	**100.00**

ADDITIONAL INFORMATION

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES (Continued)

$0.75 Listed Options

Name	No of $0.75 Listed Options Held	Percentage of $0.75 Listed Options
Citicorp Nominees Pty Limited	5,675,057	43.91
Hopetoun Consulting Pty Ltd	1,068,002	8.26
HSBC Custody Nominees (Australia) Limited	979,597	7.58
National Nominees Limited	813,209	6.29
Senor Jose Ramon Esteruelas	500,000	3.87
Dr Robert Hawley	500,000	3.87
Merrill Lynch (Australia) Nominees Pty Ltd <Berndale A/C>	432,917	3.35
Mr Doug Gray & Mrs Ghislaine Gray <Glenmore Estate S/Fund A/C>	374,055	2.89
HSBC Custody Nominees (Australia) Limited – GSCO ECA	353,550	2.74
Mr Stephen Dattels	250,000	1.93
Mr Sean James	250,000	1.93
Primavera Investments Pty Ltd	250,000	1.93
Mr Scott Yelland	250,000	1.93
UBS Nominees Pty Ltd	240,689	1.86
HSBC Custody Nominees (Australia) Limited – A/C3	193,847	1.50
RBC Securities Nominees Pty Limited	87,800	0.68
Launceston Gasworks Pty Ltd	72,711	0.56
Dinwoodie Investments Pty Ltd <Dinwoodie Investments A/C>	50,875	0.39
ANZ Nominees Limited <Cash Income A/C>	43,552	0.34
J P Morgan Nominees Australia Limited	42,535	0.33
Total Top 20	**12,428,396**	**96.16**
Others	496,327	3.84
Total $0.75 Listed Options on Issue	**12,924,723**	**100.00**

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of securityholders by size of holding

	Ordinary Shares		$0.75 Listed Options	
Distribution	**Number of Shareholders**	**Number of Shares**	**Number of Optionholders**	**Number of Options**
1 – 1,000	108	61,774	275	80,080
1,001 – 5,000	273	820,143	54	115,381
5,001 – 10,000	158	1,225,615	7	48,388
10,001 – 100,000	293	8,829,046	19	599,951
100,001 – and over	65	112,549,734	15	12,080,923
Totals	**897**	**123,486,312**	**370**	**12,924,723**

There were 31 holders of less than a marketable parcel of ordinary.

3. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the holding company's register as at 2 October 2009 are:

Substantial Shareholder	Number of Shares
Dundee Corporation and each of its associates	17,341,701
Anglo Pacific Group plc	16,368,273
Metage Capital Limited as investment manager to Metage Funds Ltd	8,078,595

ADDITIONAL INFORMATION

4. UNQUOTED SECURITIES

The names of the holders holding more than 20% of each class of unlisted securities are listed below:

Holder	Number
$0.70 Options Expiring 30 April 2010	
Compagnie Generale Des Matieres Nucleaires	10,600,000
Total	**10,600,000**
$1.86 Options Expiring 5 August 2011	
Mr Scott Yelland	1,000,000
The Estate of the late Mr Peter Ellis	500,000
9 other holders (each less than 20% holding)	660,000
Total	**2,160,000**
$1.00 Options Expiring 19 June 2012	
Mr Scott Yelland	250,000
Mr Cesar Ayllon Castillo	250,000
3 other holders (each holding less than 20% holding)	287,500
Total	**787,500**
$1.00 Options Expiring 31 May 2013	
Regent Resources Capital Corporation	2,500,000
Total	**2,500,000**

5. VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

6. ON-MARKET BUY BACK

There is currently no on-market buy back program for any of Berkeley's listed securities.

7. EXPLORATION INTERESTS

As at 2 October 2009, the Company has an interest in the following tenements:

Location	Tenement Name	Percentage Interest	Status
Spain			
Guadalajara			
	P.I. Pobo	99.903%	Pending
	P.I. Cobeta	99.903%	Pending
	P.I. Aragoncillo 1	99.903%	Pending
	P.I. Aragoncillo 2	99.903%	Pending
	P.I. Pinares 1	99.903%	Pending
	P.I. Pinares 2	99.903%	Pending
Salamanca			
	P.E. Berkeley 3	99.903%	Pending
	P.E. Berkeley 5	99.903%	Pending
	P.E. Berkeley 6	99.903%	Pending
	P.E. Berkeley 7	99.903%	Pending
	P.E. Berkeley 8	99.903%	Pending
	P.E. Berkeley 9	99.903%	Pending
	P.E. Berkeley 10	99.903%	Pending
	P.E. Berkeley 11	99.903%	Pending
	P.E. Berkeley 15	99.903%	Pending
	P.E. Berkeley 16	99.903%	Pending
	P.E. Berkeley 17	99.903%	Pending
	P.I. Castanos 2	99.903%	Granted
	P.I. Pedreras	99.903%	Granted
	P.I. Abedules	99.903%	Granted
	P.I. Alisos	99.903%	Granted
	P.I. Alcornoques	99.903%	Granted
	P.I. Bardal	99.903%	Granted
	P.I. Berzosa	99.903%	Granted
	P.I. Herrada	99.903%	Granted
	P.I. Lasanta	99.903%	Granted
	P.I. Santalucia	99.903%	Granted
	P.I. Tres Cuartos	99.903%	Pending
	P.I. Espinera	99.903%	Pending
	P.I. Las Eras	99.903%	Pending
	P.I. Bogajo	99.903%	Pending
	P.I. Barquilla	99.903%	Granted
	P.I. Ciervo	99.903%	Pending
	P.I. Dehesa	99.903%	Granted
	P.I. Horcajada	99.903%	Granted
	P.I. Mimbre	99.903%	Granted
	P.I. Onoro	99.903%	Pending

ADDITIONAL INFORMATION

7. EXPLORATION INTERESTS (Continued)

Location	Tenement Name	Percentage Interest	Status
Spain (Continued)			
	P.I Abetos	99.903%	Pending
	P.I. Fuenteguinaldo	99.903%	Pending
	P.I. Mailleras	99.903%	Pending
	P.I. El Aguila	99.903%	Pending
	P.I. Campillo	99.903%	Pending
Caceres			
	P.I. Olmos 1	99.903%	Granted
	P.I. Olmos 2	99.903%	Pending
	P.I. Olmos 3	99.903%	Pending
	P.I. Zafrilla	99.903%	Pending
	P.I. Ibor	99.903%	Pending
	P.I. Almendro	99.903%	Granted
	P.I. Tietar	99.903%	Pending
Toledo			
	P.I. Lucena	99.903%	Pending
Barcelona			
	P.I Sol	99.903%	Pending
	P.I Luna	99.903%	Pending
Girona			
	P.I. Horus	100%	Pending
	P.I. Botis	100%	Pending
	P.I. Vulcano	100%	Pending
	P.I. Lucifago	100%	Pending
Ciudad Real			
	P.I. Damkina	100%	Pending
Murcia			
	P.E. Agni	100%	Pending
Huesca			
	P.E. Hefesto	100%	Pending
	P.E. Hades	100%	Pending
Ourense			
	P.I. Oimbra	100%	Pending
	P.I. Maceda	100%	Pending
Australia			
Miriam/Bouchers Project			
WA	M 15/664	100%	Granted

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