BERKELEY energia

ANNUAL FINANCIAL REPORT
30 JUNE 2016

ABN 40 052 468 569

CORPORATE DIRECTORY

Directors

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

Company Secretary
Mr Dylan Browne

Other KMP

Mr Francisco Bellón	General Manager Operations
Mr Javier Colilla	Senior Vice President
Mr Hugo Schumann	Corporate Manager

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The Directors of Berkeley Energia Limited (formerly Berkeley Energy Limited) submit their report on the Consolidated Entity consisting of Berkeley Energia Limited ('Company' or 'Berkeley' or 'Parent') and the entities it controlled at the end of, or during, the year ended 30 June 2016 ('Consolidated Entity' or 'Group').

OPERATING AND FINANCIAL REVIEW

Operations

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

After investing US$60 million over the past decade Berkeley Energia has moved one step closer to becoming one of the world's lowest cost uranium producers as it broke ground at the Salamanca mine during the year. With approvals in place for initial infrastructure development, during the year work commenced on the road realignment and power line upgrade ahead of the main construction.

A Definitive Feasibility Study ('DFS') confirmed the Salamanca mine will be one of the world's lowest cost producers capable of generating strong after tax cash flow through the current low point in the uranium price cycle.

With operating costs almost exclusively in Euros and a revenue stream in US dollars the project is expected to continue to benefit from the effects of deflationary pressures within the European Union.

An exploration programme continues, aimed at making new discoveries and converting some of the approximately 30 million pounds of Inferred resources into the mine schedule, with the objective of maintaining annual production at over four million pounds a year on an ongoing basis.

The Company has recently been approached by a number of utilities looking to secure long term offtake agreements. These discussions are underway and offtake arrangements are being negotiated.

Subsequent to the end of the year, the Company announced that it has signed a Letter of Intent ('LOI') with Interalloys Trading Limited, a European based commodity trading company, relating to the sale of the first million pounds of production from the Salamanca mine. The average price contemplated by the parties is above US$41 per pound compared with the current spot price of around US$25 per pound.

The Company is also in discussions with another potential off-taker in relation to a sales contract with terms similar to those outlined in the Interalloys LOI.

DFS confirms Salamanca mine as one of the world's lowest cost uranium producers

An independent study has confirmed the future Salamanca mine as one of the world's lowest cost producers capable of generating strong after tax cash flow through the current low point in the uranium price cycle.

A DFS has reported that over an initial ten year period the project is capable of producing an average of 4.4 million pounds of uranium per year at a cash cost of US$13.30 per pound and at a total cash cost of US$15.06 per pound which compares with the current spot price of US$26 per pound and term contract price of US$41 per pound.

During this ten year steady state period, based on the most recent UxC forward curve of uranium prices, the project is expected to generate an average annual net profit after tax of US$116 million.

With operating costs almost exclusively in Euros and a revenue stream in US dollars the project is expected to continue to benefit from the effects of deflationary pressures within the EU.

The project benefits greatly from the well-established EU funded infrastructure in the region with an initial capital cost of only US$95.7 million which is low by international standards for a project of this size.

The Company is of the view that whilst uranium prices may remain soft in the near term, from 2018, when the Salamanca mine is scheduled to come on line, the market is expected to be dominated by US utilities looking to re-contract. These utilities will also be competing with Chinese new reactor demand, which may lead to higher prices.

OPERATING AND FINANCIAL REVIEW (Continued)

Operations (Continued)

DFS confirms Salamanca mine as one of the world's lowest cost uranium producers (Continued)

The project has an initial mine life of 14 years based on mining and treating only the Measured and Indicated resources of 59.8 million pounds. An annual exploration programme, which will take advantage of generous taxation incentives, has been aimed at making new discoveries and converting some of the 29.6 million pounds of Inferred resources into the mine schedule with the objective of maintaining annual production at over 4 million pounds a year on an ongoing basis.

The mine design incorporates the very latest thinking on minimising environmental impact and continuous rehabilitation such that land used during mining and processing activities will be quickly restored to agricultural usage.

Major exploration programme aimed at increasing Salamanca mine life resumes

A major exploration programme targeting further Zona 7 style deposits continued at the Salamanca mine during the year.

The programme is aimed at making new discoveries and converting some of the 29.6 million pounds of Inferred resources into the mine schedule with the objective of maintaining annual production at over 4 million pounds a year on an ongoing basis.

Drilling is underway looking to extend the Zona 7 deposit at depth and to the south as well as testing nearby targets to the north. Please refer to the announcement dated 5 September 2016 for initial results.

These near surface targets lie within ten kilometres of the approved location of the proposed process plant and are being followed up with a two phase reverse circulation drill programme.

Commencement of development at Salamanca mine

Initial infrastructure work has commenced at the Salamanca mine signalling the Company's move into the development phase.

The Company has selected some of Spain's largest infrastructure contractors to initiate works, which include the upgrading of the main electrical power line to service the project and a four kilometre realignment of an existing road, following which mining is expected to start at the Retortillo pit.

With all major approvals in place and with the continued strong support and backing of the local authorities, the award of these contracts has enabled the Company to progress with equipment ordering, contractual permitting and with work on the ground, which commenced recently.

Major shareholder backs Berkeley with financing at a premium

During the year, major shareholder Resource Capital Funds ('RCF') demonstrated its strong support for the Company with a US$10 million royalty and equity financing in order for Berkeley to progress major infrastructure work and exploration programmes ahead of the main development financing.

The royalty financing comprised the sale of a 0.375% fully secured net smelter royalty over the project for US$5 million alongside an additional US$5 million equity placement to RCF which was completed at a 15% premium to the 30-day VWAP at the time.

Funds from the equity financing have been received and subsequent to the end of the year, funds from the royalty financing were received as well.

Strong demand from offtake partners, with commercial negotiations now underway

The Company has continued to engage with major utilities and trading houses and has now met with key potential customers across the US, Europe and Asia, many of whom have shown high levels of interest in securing offtake from the project.

Negotiations have commenced with selected utilities regarding offtake contracts during the initial years of production. The aim is to progressively enter into long term offtake contracts from now until the commencement of production. The Company will engage with high quality utility companies globally and aims to enter into a combination of fixed-pricing and market-related pricing contracts, looking to balance certainty over pricing for financiers whilst maintaining an exposure to any future increases in the uranium price.

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The Company is also in discussions with another potential off-taker in relation to a sales contract with terms similar to those outlined in the Interalloys LOI.

The Company is of the view that whilst uranium prices may remain soft in the near term, from 2018, when the Salamanca mine is scheduled to come on line, the market is expected to be dominated by US utilities looking to re-contract. These utilities will also be competing with Chinese new reactor demand, which may lead to higher prices.

Strong interest from financiers and strategic partners

Owing to the low operating and capital cost nature of the project and the extremely robust project economics, the Company has been approached by numerous high quality strategic partners and other financiers for the mine financing.

The Company is considering a range of financing options with a view to fully funding the project's development during the second half of 2016. The Company is focused on minimising dilution in order to protect the equity value of its shareholders.

The preferred funding route is through the sale of a minority interest in the project to a strategic partner at a valuation that reflects the net present value of the project. The potential sale of a project interest may include associated offtake rights over a minority portion of production on commercial terms.

Commitment to the community and environment

The Company continues to be committed to the revitalisation of the local community and being a good neighbour in the regions in which it operates.

It has been by far the biggest investor in a rural community suffering from decades of under investment and will continue to invest and cooperate to promote local employment in a region with a high level of unemployment, especially amongst its youth.

The Company has to date received over 20,000 applications for the first 200 direct jobs it will create. Once developed, the mine is expected to create 450 direct jobs. The University of Salamanca has estimated that there will be a multiplier of 5.1 indirect jobs for every direct job created, resulting in over 2,700 jobs being created as a result of the investment.

The Company has formalised its "good neighbour and good community business partner" commitment via a Cooperation Agreement with the highly supportive local municipalities which, in addition to significant royalties and taxes being paid by the Company, gives priority to the employment and training of local residents and the preferential support for businesses by sourcing goods and services locally.

In late 2015, the Company carried out its first training course in the local community areas. The training course focused on blasting techniques for the future operations and was attended by over 30 local residents, with recognised diplomas being issued upon graduation.

In April 2016, the Company advertised a driver training course for approximately 35 individuals from the local region. Participants will be given a license to operate mobile equipment on completing the course. The course has been heavily oversubscribed with over 60 applications received to date from local residents.

Training programmes will continue to run throughout 2016 to ensure that sufficient people from the local communities are qualified for jobs created during the construction and mining phases.

OPERATING AND FINANCIAL REVIEW (Continued)

Operations (Continued)

Commitment to the community and environment (Continued)

The Company's commitment to the development of the area and its inhabitants goes beyond those working in the mining industry. The Company has offered to participate in the management of the Elderly Residence of Retortillo which is currently closed due to lack of funding.

The Company's commitment to the environment remains a priority and, as outlined in the Environmental License and the Environmental Measures Plan, it will plant trees over some 75 to 100 hectares of land in the region.

Exploration will increase Mineral Resource base

The overall Mineral Resource Estimate ('MRE') for the Salamanca mine now stands at 89.3 million pounds of U_3O_8.

The DFS was based solely on Measured and Indicated Resources totaling 59.8 million pounds of U_3O_8 and did not incorporate any Inferred Resources, which total 29.6 million pounds of U_3O_8.

Potential exists to maintain steady state production by successfully converting these Inferred Resources into Indicated Resources with further drilling.

Ore Reserve Estimate

The project's Ore Reserve Estimate stands at 54.6 million pounds of U_3O_8 of which 20.6 percent is considered Proved and 79.4 percent is considered Probable after the application of all mining factors.

Corporate

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

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

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

His immediate focus on appointment was the integration of the high grade Zona 7 deposit into the project's development plans, thereby potentially increasing the scale of the project and to arrange the project's development finance.

A meeting of shareholders of the Company was held on 31 July 2015 which approved the change of name to Berkeley Energy Limited in order to reflect the Company's transition from an explorer to a producer. The meeting also resulted in the renewal of existing Performance Rights and award of new Performance Rights to the Executive team who will be responsible for bringing the Salamanca mine into production.

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

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

Global Mineral Resource Estimates at a cut-off grade of 200 ppm U_3O_8
(Only Measured and Indicated Resources included in the DFS)

Deposit Name	Resource Category	July 2016 Tonnes (Mt)	July 2016 U_3O_8 (ppm)	July 2016 U_3O_8 (Mlbs)
Retortillo	Measured	4.1	498	4.5
	Indicated	11.3	395	9.8
	Inferred	0.2	368	0.2
	Total	***15.6***	***422***	***14.5***
Zona 7	Measured	5.2	674	7.8
	Indicated	10.5	761	17.6
	Inferred	6.0	364	4.8
	Total	**21.7**	**631**	**30.2**
Alameda	Indicated	20.0	455	20.1
	Inferred	0.7	657	1.0
	Total	***20.7***	***462***	***21.1***
Las Carbas	Inferred	0.6	443	0.6
Cristina	Inferred	0.8	460	0.8
Caridad	Inferred	0.4	382	0.4
Villares	Inferred	0.7	672	1.1
Villares North	Inferred	0.3	388	0.2
Total Retortillo Satellites	***Total***	***2.8***	***492***	***3.0***
Villar	Inferred	5.0	446	4.9
Alameda Nth Zone 2	Inferred	1.2	472	1.3
Alameda Nth Zone 19	Inferred	1.1	492	1.2
Alameda Nth Zone 21	Inferred	1.8	531	2.1
Total Alameda Satellites	***Total***	***9.1***	***472***	***9.5***
Gambuta	***Inferred***	***12.7***	***394***	***11.1***
Salamanca mine Total	***Measured***	***9.3***	***597***	***12.3***
	Indicated	***41.8***	***516***	***47.5***
	Inferred	***31.5***	***395***	***29.6***
	Total (*)	***82.6***	***514***	***89.3***

(*) All figures are rounded to reflect appropriate levels of confidence. Apparent differences occur due to rounding. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves

OPERATING AND FINANCIAL REVIEW (Continued)

Operations (Continued)

Project Ore Reserve Estimate

		July 2016		
Deposit Name	**Resource Category**	**Tonnes (Mt)**	**U_3O_8 (ppm)**	**U_3O_8 (Mlbs)**
Retortillo	Proved	4.0	397	3.5
	Probable	11.9	329	7.9
	Total	***15.9***	***325***	***11.4***
Zona 7	Proved	6.5	542	7.8
	Probable	11.9	624	16.4
	Total	**18.4**	**595**	**24.2**
Alameda	Proved	0.0	0.0	0.0
	Probable	26.4	327	19.0
	Total	***26.4***	***327***	***19.0***
Total	***Proved***	***10.5***	***487***	***11.3***
	Probable	***50.3***	***391***	***43.4***
	Total (*)	***60.7***	***408***	***54.6***

(*) cut-off grade for Retortillo 107 ppm, Zona 7 125 ppm, Alameda 90 ppm. Apparent differences occur due to rounding.

Results of Operations

The Consolidated Entity's net loss after tax for the year ended 30 June 2016 was $13,641,054 (2015: $7,865,605). This loss is partly attributable to:

(i) Exploration and evaluation expenses of $9,213,493 (2015: $6,677,550), which is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure incurred subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies for each separate area of interest. The increased exploration and evaluation expenditure for the year ended 30 June 2016 is a reflection of additional activities undertaken in the year.

(ii) Business development expenses of $1,614,099 (2015: $15,965) which includes the Groups Investor relations activities including but not limited to conference fees, travel costs, consultant fees, broker fees and stock exchange admission costs.

(iii) Share-based payments expense of $1,713,364 (2015: $866,475) was recognised in respect of incentive securities granted to directors, employees and key consultants. The Company expenses the incentive securities over the vesting period.

(iv) Recognition of interest income of $237,065 (2015: $530,237). The reduction in interest income reflects the reduced average cash position from 2015 to 2016 and a general reduction in interest rates from 2015 to 2016.

Financial Position

At 30 June 2016, the Group had cash reserves of $11,348,057, trade receivables of $7,301,108 and no debt. This puts the Group in an excellent financial position as the Company moves towards the development of the Salamanca mine.

The Group had net assets of $26,301,977 at 30 June 2016 (2015: $28,538,535), a decrease of approximately 7.8% compared with the previous year. This decrease is consistent with the reduced cash balance and is also attributable to the comprehensive loss for the year, comprising: (i) the current year's net loss after income tax, and (ii) movement in reserves.

Business Strategies and Prospects for Future Financial Years

Berkeley's strategic objective is to create long-term shareholder value by becoming a uranium producer in the mid to near term, through the ongoing development and exploration of the Salamanca mine.

To achieve its strategic objective, the Company currently has the following business strategies and prospects over the medium term:

- Progress with project finance options including seeking offtake partners; strategic partners and other project financiers;
- Advance the Salamanca mine through the current development phase into the main construction phase and then into production;
- Continue to explore the Company's portfolio of tenements in Spain targeting further Zona 7 style deposits aimed at making new discoveries and converting some of the 29.6 million pounds of Inferred resources into the mine schedule with the objective of maintaining annual production at over 4 million pounds a year on an ongoing basis; and
- Continue to assess any new uranium and other business opportunities which can enhance shareholder value.

As with any other mining project, all of these activities are inherently risky and the Board is unable to provide certainty that any or all of these activities will be able to be achieved. The material business risks faced by the Company that are likely to have an effect on the Company's future prospects, and how the Company manages these risks, include:

The exploration for, and development of, mineral deposits involves a high degree of risk. The ultimate development of the Company's project into a producing mine is dependent on a number of factors, including; successful studies, obtaining all necessary permits and licences, and subsequently the required project financing. To mitigate this risk, the Company has undertaken systematic and staged exploration and testing programmes, and a number of technical and economic studies with respect to the Salamanca mine.

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

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

- The Company may be adversely affected by fluctuations in commodity prices. The price of uranium fluctuates widely and is affected by numerous factors beyond the control of the Company. Future production from the Company's Project will be dependent upon the price of uranium being adequate to make these properties economic. The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk, but as the Company's Project advances, this policy will be reviewed periodically; and
- Global financial conditions may adversely affect the Company's growth and profitability. Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and energy markets, and a lack of market liquidity. A slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities.
- The Company has received all of the major approvals for the development of the Salamanca mine as issued by the relevant Spanish authorities. Various appeals have been made against these permits and approvals, as allowed for under Spanish law, and the Company expects that further appeals will be made against these and future authorisations and approvals in the ordinary course of events. All appeals to date have been unsuccessful. The Company will continue to comply with its continuous disclosure obligations in relation to any such appeals.

OPERATING AND FINANCIAL REVIEW (Continued)

Business Strategies and Prospects for Future Financial Years (Continued)

All of the appeals to date have been unsuccessful. The Company has no reason to be believe that future appeals will not also be unsuccessful. Should an appeal be made and advice is received that the appeal has some chance of success the company will advise in the normal course of events.

DIRECTORS

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

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

Unless otherwise disclosed, Directors held their office from 1 July 2015 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Ian Middlemas
Chairman
Qualifications – B.Com, CA

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

Mr Middlemas was appointed a Director and Chairman of Berkeley Energia Limited on 27 April 2012. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Cradle Resources Limited (May 2016 – present), Paringa Resources Limited (October 2013 – present), Prairie Mining Limited (August 2011 – present), Syntonic Limited (April 2010 – present), Salt Lake Potash Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), WCP Resources Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present), Papillon Resources Limited (May 2011 – October 2014), Sierra Mining Limited (January 2006 – June 2014) and Decimal Software Limited (July 2013 – April 2014).

Paul Atherley
Managing Director
Qualifications – BSc, MAppSc, MBA, ARSM

Mr Atherley is a Mining Engineer from Imperial College London and has held numerous senior executive and board positions during his career. He served as Executive Director of the investment banking arm of HSBC Australia where he undertook a range of advisory roles in the resources sector. He has completed a number of acquisitions and financings of resource projects in Australia, South East Asia, Africa and Western Europe, and has well-established relationships with European and Australian capital markets. As the Managing Director of ASX/AIM listed Leyshon Resources Limited, Mr Atherley was responsible for the exploration, development and successful sale of the Zheng Guang Gold-Zinc Project in Northern China.

Mr Atherley has developed strong connections within Chinese business, industry bodies and senior government officials, including the most senior levels of the state owned energy companies. Until recently he was the Chairman of the British Chamber of Commerce in China, Vice Chairman of the China Britain Business Council in London and served on the European Union Energy Working Group in Beijing. He has been a regular business commentator on China, hosting events in Beijing and appearing on CCTVNews and China Radio International.

Mr Atherley was appointed a director of Berkeley Energia Limited on 1 July 2015. During the three year period to the end of the financial year, Mr Atherley has also held directorships in Leyshon Resources Limited (May 2004 – present) and Leyshon Energy Limited (January 2014 – present).

James Ross AM
Non-Executive Director
Qualifications – B.Sc. (Hons.), PhD, FAusIMM, FAICD

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

Dr Ross is Chairman of the John De Laeter Centre, a member of the Technology Industry Advisory Council, the immediate past Chair of Earth Science Western Australia Inc. and a former Director of Kimberley Foundation Australia Ltd.

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

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

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

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

Mr Behets was appointed a Director of the Company on 27 April 2012. During the three year period to the end of the financial year, Mr Behets has held directorships in Equatorial Resources Limited (February 2016 to present), Cradle Resources Limited (May 2016 to present), WCP Resources Limited (February 2016 to present) and Papillon Resources Limited (May 2012 – October 2014).

Mr Dylan Browne
Company Secretary and Chief Financial Officer
Qualifications – B.Com, CA, AGIA

Mr Browne is a Chartered Accountant and Associate Member of the Governance Institute of Australia who commenced his career at a large international accounting firm and has since worked in the corporate office of a number listed companies that operate in the resources sector. Mr Browne was appointed Company Secretary and Chief Financial Officer of the Company on 29 October 2015.

OTHER KMP

Mr Francisco Bellón del Rosal
General Manager Operations
Qualifications – M.Sc, MAusIMM

Mr Bellón is a Mining Engineer specialising in mineral processing and metallurgy with over 20 years' experience in operational and project management roles in Europe, South America and West Africa. He held various senior management roles with TSX listed Rio Narcea Gold Mines during a 10 year career with the company, including Plant Manager for El Valle/Carles process facility and Operations Manager prior to its acquisition by Lundin Mining in 2007. During this period, Mr Bellón was involved in the development, construction, commissioning and production phases of a number of mining operations in Spain and Mauritania including El Valle-Boinás / Carlés (open pit and underground gold-copper mines in northern Spain), Aguablanca (open pit nickel-copper mine in southern Spain) and Tasiast (currently Kinross' world class open pit gold mine in Mauritania). He subsequently joined Duro Felguera, a large Spanish engineering house, where as Manager of the Mining Business, he managed the peer review, construction and commissioning of a number of large scale mining operations in West Africa and South America in excess of US$1B. Mr Bellón joined Berkeley Energia Limited in May 2011.

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

Mr Colilla is a Mineral Economist and Lawyer. With prior experience in auditing and insurance sectors, he has over 25 years' experience in the mining sector commencing as the Managing Director of an international drilling company in the early 1980's. He subsequently worked for Anglo American as General Manager of their Spanish subsidiaries, whilst also contributing as international staff member to several projects in Europe and South America. Mr Colilla held various executive management roles during a long career with the TSX listed Rio Narcea Gold Mines, including Vice President Business Development, Chief Financial Officer, Senior Vice President Corporate, as well as Administrator/Director of its subsidiaries. During this period, he was involved in all aspects of commercial, legal and joint venture management, permitting, stakeholder engagement, government liaison and project financing for a number of mining operations in Spain and internationally including El Valle-Boinás / Carlés, Aguablanca and Tasiast. Following the acquisition of Rio Narcea Gold Mines by Lundin Mining in 2007, Mr Colilla consulted on renewable energies projects and advised several international leading legal firms in the areas of public aid financing (domestic and international) and due diligence exercises in relation to Spanish mining companies being acquired by multinational mining groups. Mr Colilla joined Berkeley Energia Limited in April 2010.

Mr Hugo Schumann
Corporate Manager
Qualifications – MBA, CFA, B.Bus.Sci (Hons)

Mr Schumann commenced his career as a management consultant before moving into the natural resources sector, initially as part of an investing team in London focused on early stage mining projects and then working in corporate development functions for a number of listed mining and energy companies. He has a decade of experience in the financing and development of mining and energy projects globally across a range of commodities. He holds an MBA from INSEAD, is a CFA Charterholder and holds a Bachelor of Business Science (Finance CA) from the University of Cape Town. Mr Schumann joined Berkeley Energia Limited in July 2015.

PRINCIPAL ACTIVITIES

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

DIVIDENDS

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2016 (2015: nil).

EARNINGS PER SHARE

	2016 Cents	2015 Cents
Basic and diluted loss per share	**(7.47)**	(4.36)

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 1 July 2015, Mr Paul Atherley commenced as Managing Director of the Company;
- On 31 July 2015, Shareholders approved the renewal of Berkeley's Performance Rights Plan and to vary the terms of 2,776,000 existing Performance Rights by extending the milestone and expiry dates by 24 months;
- On 29 October 2015, Mr Dylan Browne was appointed Chief Financial Officer and Company Secretary of the Company;
- On 27 November 2015, following shareholder approval at a General Meeting, the Company changed its name to Berkeley Energia Limited; and
- On 10 May 2016, the Company announced a royalty and equity financing with major shareholder, RCF. The equity financing comprised of the issue of US$5 million worth of ordinary shares in the Company at a price of A$0.625 (£0.32) per share. RCF also agreed to provide an additional US$5 million though the sale of a 0.375% fully secured net smelter royalty over the Salamanca mine.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE EVENT

(i) On 14 July 2016, the Company announced the results of the completed DFS which confirmed the Salamanca mine as one of the lowest cost producers capable of generating strong after tax cash flow through the current low in the uranium price cycle;

(ii) On 29 July 2016, the Company issued 2,345,000 Ordinary shares on conversion of the DFS Performance Rights on the announcement of the DFS results;

(iii) 19 August 2016, the Company received the US$5 million for the advance royalty sale to RCF; and

(iv) On 20 September 2016, the Company announced that it had signed a LOI relating to the sale of the first million pounds of production from the Salamanca mine.

Other than as outlined above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2016, of the Consolidated Entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve. Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities.

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

In September 2012, Berkeley qualified for certification in accordance with ISO 14001 of Environmental Management, which sets out the criteria for an environmental management system, and UNE 22480 of Sustainable Mining Management, which allows for the systematic monitoring and tracking of sustainability indicators, and is useful in the establishment of targets for constant improvement. These certificates are renewed following annual audits established by the regulations, with the most recent audit successfully completed in July 2015.

INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF BERKELEY

	Interest in Securities at the Date of this Report		
Current Directors	Ordinary Shares(i)	Incentive Options(ii)	Performance Rights(iii)
Ian Middlemas	9,300,000	-	-
Paul Atherley	1,504,000	4,000,000	1,850,000
James Ross	415,000	-	200,000
Robert Behets	2,390,000	-	580,000

Notes
(i) "Ordinary Shares" means fully paid ordinary shares in the capital of the Company.
(ii) "Incentive Options" means an unlisted option to subscribe for 1 Ordinary Share in the capital of the Company
(iii) "Performance Rights" means the right to subscribe to 1 Ordinary Share in the capital of the Company upon the completion of specific performance milestones by the Company.

SHARE OPTIONS AND PERFORMANCE RIGHTS

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

- 3,600,000 Incentive Options exercisable at £0.15 on or before 30 June 2018;
- 3,600,000 Incentive Options exercisable at £0.20 on or before 30 June 2019;
- 150,000 Incentive options exercisable at £0.25 on or before 30 June 2018;
- 150,000 Incentive options exercisable at £0.30 on or before 30 June 2018;
- 200,000 Incentive options exercisable at £0.40 on or before 30 June 2018.
- 3,585,000 Performance Rights expiring on 31 December 2018; and
- 4,625,000 Performance Rights expiring on 31 December 2019.

These Incentive Options and Performance Rights do not entitle the holders to participate in any share issue of the Company or any other body corporate. During the year ended 30 June 2016, 6,000,000 Ordinary Shares were issued as a result of the exercise of 6,000,000 Incentive Options and 830,000 Ordinary Shares were issued as a result of the conversion of 830,000 Performance Rights. Subsequent to the end of the financial year and up and until the date of this report, no Ordinary shares have been issued as a result of the exercise of Incentive Options, and 2,345,000 Ordinary Shares have been issued as a result of the conversion of 2,345,000 Performance Rights.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2016, and the number of meetings attended by each director.

Current Directors	Board Meetings Number Eligible to Attend	Board Meetings Number Attended
Ian Middlemas	3	3
Paul Atherley	3	3
James Ross	3	2
Robert Behets	3	3

REMUNERATION REPORT (AUDITED)

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

Details of Key Management Personnel

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

Directors

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

Other KMP

Mr Francisco Bellón del Rosal	General Manager Operations
Mr Javier Colilla Peletero	Senior Vice President Corporate
Mr Hugo Schumann	Corporate Manager (appointed 1 July 2015)
Mr Dylan Browne	Chief Financial Officer and Company Secretary (appointed 29 October 2015)
Mr Clint McGhie	Chief Financial Officer and Company Secretary (resigned 29 October 2015)

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 2015 until the date of this report.

Remuneration Policy

The remuneration policy for the Group's KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

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

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

Remuneration Policy for Executives

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

Fixed Remuneration

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

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

REMUNERATION REPORT (AUDITED) (Continued)

Performance Based Remuneration – Short Term Incentive

Some KMP are entitled to an annual cash bonus upon achieving various key performance indicators ('KPI's'), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as successful completion of exploration activities (e.g. completion of exploration programmes within budgeted timeframes and costs), development activities (e.g. completion of feasibility studies), corporate activities (e.g. recruitment of key personnel and project financing) and business development activities (e.g. project acquisitions and capital raisings). On an annual basis, after consideration of performance against key performance indicators, the Board determines the amount, if any, of the annual cash bonus to be paid to each KMP. During the 2016 financial year, a total bonus sum of $484,698 (2015: $57,480) was paid, and is payable to KMP on achievement of KPIs as set by the board which included: (i) Completion of an upgraded Pre-Feasibility at the Project; (ii) Upgrade in the size and grade of the of the mineral resource estimate at the Project; (iii) achievement of major permitting milestones including the award of the initial authorisation for the process plant; (iv) commencement of development activities at the Project; (v) completion of RCF finaning at a premium; and (vi) completion of a DFS at the Project.

Performance Based Remuneration – Long Term Incentive

The Group has adopted a long-term incentive plan ('LTIP') comprising the 'Berkeley Performance Rights Plan' (the 'Plan') to reward KMP and key employees for long-term performance. Shareholders approved the Plan in April 2013 at a General Meeting of Shareholders and Performance Rights were issued under the Plan in May 2013 and March 2014. Shareholders approved the renewal of the Plan in July 2015.

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

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

(a) enable the Company to recruit, incentivise and retain KMP and other eligible employees and contractors needed to achieve the Company's strategic objectives;

(b) link the reward of eligible employees and contractors with the achievements of strategic goals and the long term performance of the Company;

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

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

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

In addition, the Group has chosen to provide unlisted incentive options ('Incentive Options') to some KMP as part of their remuneration and incentive arrangements in order to attract and retain their services and to provide an incentive linked to the performance of the Group. The Board's policy is to grant Incentive Options to KMP with exercise prices at or above market share price (at time of agreement). As such, Incentive Options granted to KMP are generally only of benefit if the KMP has performed to the level whereby the value of the Company has increased sufficiently to warrant exercising the Incentive Options granted.

Other than service-based vesting conditions (if any), there were no additional performance criteria on the Incentive Options granted to KMP, as given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered that the performance of KMP and the performance and value of the Group are closely related.

The Company prohibits executives entering into arrangements to limit their exposure to Unlisted Options and Performance Rights granted as part of their remuneration package.

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.

Relationship between Remuneration and Shareholder Wealth

During the Group's exploration and development phases of its business, the Board anticipates that the Company will retain future earnings (if any) and other cash resources for the operation and development of its business. Accordingly the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

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

Relationship between Remuneration of KMP and Earnings

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

Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

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

General

Where required, KMP receive superannuation contributions (or foreign equivalent), currently equal to 9.5% 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 KMP is valued at cost to the company and expensed. Incentive Options and Performance Rights are valued using an appropriate valuation methodology. The value of these Incentive Options and Performance Rights is expensed over the vesting period.

REMUNERATION REPORT (AUDITED) (Continued)

KMP Remuneration

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

	Short-term Benefits							
2016	Salary & Fees $	Post Employ-ment Benefits $	Cash Incentive $	Share-Based Payments $	Other Non-Cash Benefits[4] $	Total $	Percentage of Total Remunerat-ion that Consists of Options/ Rights %	Percent-age Perform-ance Related %
Directors								
Ian Middlemas	45,600	4,400	-	-	-	50,000	-	-
Paul Atherley[1]	456,218	-	225,344	439,874	-	1,121,436	39.22	59.32
James Ross	27,398	2,603	-	(5,116)	-	24,885	(20.56)	(20.56)
Robert Behets	27,398	2,603	-	72,440	-	102,441	70.71	70.71
Other KMP								
Francisco Bellón del Rosal	297,002	20,467	76,154	269,321	48,441	711,385	37.86	48.56
Javier Colilla Peletero	297,002	18,770	76,154	269,321	46,431	707,678	38.06	48.82
Hugo Schumann	226,851	-	89,697	214,425	-	530,973	40.38	57.28
Dylan Browne[2]	98,066	-	17,349	68,215	-	183,630	37.15	46.60
Clint McGhie[3]	-	-	-	24,627	-	24,627	100.00	100.00
Total	1,475,535	48,843	484,698	1,353,107	94,872	3,457,055		

Notes

(1) Mr Atherley was appointed a Director with effect from 1 July 2015.

(2) Mr Browne was appointed as Company Secretary and Chief Financial Officer on 29 October 2015.

(3) Mr McGhie resigned as Company Secretary and Chief Financial Officer on 29 October 2015. Previously Mr McGhie provided services as the Company Secretary and Chief Financial Officer through a services agreement between Berkeley and Apollo Group Pty Ltd. Under the agreement up and until Mr McGhie's resignation date, Apollo Group Pty Ltd was paid, or was payable $72,500 (2015: $296,000) for the provision of administrative, company secretarial and accounting services, and the provision of a fully serviced office to the Company

(4) Other Non-Cash Benefits includes payments made for housing and car benefits.

	Short-term Benefits							
2015	Salary & Fees $	Post Employment Benefits $	Cash Incentive $	Share-Based Payments $	Other Non-Cash Benefits[5] $	Total $	Percentage of Total Remuneration that Consists of Options/ Rights %	Percentage Performance Related %
Directors								
Ian Middlemas	50,000	-	-	-	-	50,000	-	-
Paul Atherley[1]	-	-	-	438,667	-	438,667	100.00	100.00
James Ross	50,000	-	-	(2,189)	-	47,811	(4.58)	(4.58)
Robert Behets[2]	198,200	-	-	(5,254)	-	192,946	(2.72)	(2.72)
Other KMP								
Francisco Bellón del Rosal	276,620	19,190	28,740	203,809	46,289	574,648	35.47	40.47
Javier Colilla Peletero	276,614	17,037	28,740	215,500	30,156	568,047	37.94	43.00
Hugo Schumann[3]	-	-	-	34,063	-	34,063	100.00	100.00
Clint McGhie[4]	-	-	-	(3,941)	-	(3,941)	100.00	100.00
Total	851,434	36,227	57,480	880,655	76,445	1,902,241		

Notes

(1) Mr Atherley was appointed a Director with effect from 1 July 2015. In accordance with the terms of the consultancy deed with North Asia Metals Limited ('NAML') under which Mr Atherley is engaged, NAML was granted 4,000,000 incentive options on 16 June 2015 (vesting on commencement);

(2) Mr Behets received Directors fees of $50,000 and consulting fees of $148,200 for additional services provided to the Company;

(3) Mr Schumann commenced his role as Corporate Manager on 1 July 2015. He has previously provided assistance with investor relations in a non-executive capacity and had been granted Performance Rights in the year ended 30 June 2014. Mr Schumann was granted 200,000 incentive options on 15 June 2015;

(4) Mr McGhie provides services as the Company Secretary and Chief Financial Officer through a services agreement between Berkeley and Apollo Group Pty Ltd. Under the agreement, Apollo Group Pty Ltd was paid, or is payable $296,000 (2014: $288,000) for the provision of administrative, company secretarial and accounting services, and the provision of a fully serviced office to the Company. With effect from 1 July 2015, the retainer payable to Apollo Group Pty Ltd for the provision of these services has reduced to $20,000 per month; and

(5) Other Non-Cash Benefits includes payments made for housing and car benefits.

REMUNERATION REPORT (AUDITED) (Continued)

Incentive Options and Performance Rights Granted to KMP

Details of Incentive Options and Performance Rights granted by the Company to each Key Management Personnel of the Group during the year ended 30 June 2016 are as follows:

2016	Options / Rights(1)	Grant Date	Expiry Date	Exercise Price	Grant Date Fair Value $	No. Granted	No. Vested at 30 June 2016
Directors							
Robert Behets	Rights	31 Jul 15	30 Jun 16	-	0.350	150,000	-(1)
	Rights	31 Jul 15	30 Jun 17	-	0.350	100,000	-
Paul Atherley	Rights	31 Jul 15	30 Jun 17	-	0.350	450,000	-
	Rights	31 Jul 15	31 Dec 18	-	0.350	500,000	-
	Rights	31 Jul 15	31 Dec 19	-	0.350	650,000	-
	Rights	18 Mar 16	30 Jun 17	-	0.480	200,000	-
	Rights	18 Mar 16	31 Dec 18	-	0.480	300,000	-
	Rights	18 Mar 16	31 Dec 19	-	0.480	400,000	-
Other KMP							
Francisco Bellón del Rosal	Rights	31 Jul 15	30 Jun 16	-	0.350	200,000	-(1)
	Rights	31 Jul 15	30 Jun 17	-	0.350	250,000	-
	Rights	31 Jul 15	31 Dec 18	-	0.350	100,000	-
	Rights	31 Jul 15	31 Dec 19	-	0.350	200,000	-
	Rights	8 Feb 16	30 Jun 17	-	0.470	150,000	-
	Rights	8 Feb 16	31 Dec 18	-	0.470	200,000	-
	Rights	8 Feb 16	31 Dec 19	-	0.470	300,000	-
Javier Colilla Peletero	Rights	31 Jul 15	30 Jun 16	-	0.350	200,000	-(1)
	Rights	31 Jul 15	30 Jun 17	-	0.350	250,000	-
	Rights	31 Jul 15	31 Dec 18	-	0.350	100,000	-
	Rights	31 Jul 15	31 Dec 19	-	0.350	200,000	-
	Rights	8 Feb 16	30 Jun 17	-	0.470	150,000	-
	Rights	8 Feb 16	31 Dec 18	-	0.470	200,000	-
	Rights	8 Feb 16	31 Dec 19	-	0.470	300,000	-
Hugo Schumann	Rights	31 Jul 15	30 Jun 17	-	0.350	200,000	-
	Rights	31 Jul 15	31 Dec 18	-	0.350	200,000	-
	Rights	31 Jul 15	31 Dec 19	-	0.350	290,000	-
	Rights	8 Feb 16	30 Jun 17	-	0.470	150,000	-
	Rights	8 Feb 16	31 Dec 18	-	0.470	200,000	-
	Rights	8 Feb 16	31 Dec 19	-	0.470	300,000	-
Dylan Browne	Rights	8 Feb 16	30 Jun 17	-	0.470	100,000	-
	Rights	8 Feb 16	31 Dec 18	-	0.470	180,000	-
	Rights	8 Feb 16	31 Dec 19	-	0.470	180,000	-
Clint McGhie	Rights	31 Jul 15	30 Jun 16	-	0.350	150,000	-(1)
	Rights	31 Jul 15	30 Jun 17	-	0.350	50,000	-

Notes

(1) This tranche of Performance Rights vested on 4 November 2015 and was converted to shares on 23 December 2015.

(2) For details on the valuation of the Unlisted Options and Performance Rights, including models and assumptions used, please refer to Note 17 to the financial statements.

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

2016	Value of Incentive Options granted during the year[1] $	Value of Incentive Options exercised during the year $	Value of options / rights lapsed during the year $	Value of Incentive Options included in remuneration for the year $	Percentage of remuneration that consists of Incentive Options %
Directors					
Ian Middlemas	-	840,000[1]	-	-	-
Robert Behets	-	210,000[2]	-	-	-
Other KMP					
Francisco Bellón del Rosal	-	-	-[3]	-	-
Javier Colilla Peletero	-	-	-[4]	-	-

Notes

(1) On 17 June 2016, Mr Middlemas exercised 4,000,000 Incentive Options. The Value of the Incentive Options exercised is calculated using the closing price on that date ($0.66) less the exercise price ($0.45). These Incentive Options were subscribed for by Mr Middlemas on terms no more favourable than those to other unrelated parties.

(2) On 17 June 2016, Mr Behets exercised 1,000,000 Incentive Options. The Value of the Incentive Options exercised is calculated using the closing price on that date ($0.66) less the exercise price ($0.45). These Incentive Options were subscribed for by Mr Behets on terms no more favourable than those to other unrelated parties.

(3) 1,000,000 Incentive Options exercisable at $0.41 expired on 21 September 2015.

(4) 750,000 Incentive Options exercisable at $0.475 expired on 22 December 2015.

Employment Contracts with Directors and KMP

Current Directors

Mr Ian Middlemas, Non-Executive Chairman, has a letter of appointment dated 29 June 2015 confirming the terms and conditions of his appointment. Effective from 1 July 2013, Mr Middlemas has received a fee of $50,000 per annum inclusive of superannuation.

Mr Paul Atherley, Managing Director, is engaged under a consultancy deed with North Asia Metals Ltd ('NAML') dated 16 June 2015. The agreement specifies the duties and obligations to be fulfilled by Mr Atherley as Managing Director. There is 12 month rolling term and either party may terminate with three months written notice. No amount is payable in the event of termination for material breach of contract, gross misconduct or neglect. Effective 1 July 2016, NAML will receive an annual consultancy fee of £275,000 and will be eligible for an annual bonus of up to £250,000 to be paid upon successful completion of key performance indicators as determined by the Board of Directors. In addition, NAML will be entitled to receive a payment equivalent to the annual consultancy fee in the event of a change in control clause being triggered by the Company.

Dr James Ross, Non-Executive Director, has a letter of appointment with Berkeley Energia Limited that was last updated on 29 June 2015. Effective from 1 July 2015, Dr Ross has received a fee of $30,000 per annum inclusive of superannuation.

Mr Robert Behets, Non-Executive Director, has a letter of appointment dated 29 June 2015 confirming the terms and conditions of his appointment. Effective 1 July 2015, Mr Behets has received a fee of $30,000 per annum inclusive of superannuation. Mr Behets also has a services agreement with the Company dated 18 June 2012, which provides for a consultancy fee at the rate of $1,200 per day for management and technical services provided by Mr Behets. Either party may terminate the agreement without penalty or payment by giving 2 months' notice.

REMUNERATION REPORT (AUDITED) (Continued)

Current other KMP

Mr Francisco Bellón del Rosal, has a contract of employment dated 14 April 2011 and amended on 1 July 2011 and 13 January 2015. The contract specifies the duties and obligations to be fulfilled by the General Manager Operations. The contract has a rolling term and may be terminated by the Company giving 6 months' notice, or 12 months in the event of a change of control of the Company. In addition to the notice period, Mr Bellón will also be entitled to receive an amount equivalent to statutory unemployment benefits (approximately €25,000) and statutory severance benefits (equivalent to 45 days remuneration per year worked from 9 May 2011 to 11 February 2012, and 33 days remuneration per year worked from 12 February 2012 until termination). No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Bellón receives a fixed remuneration component of €190,000 per annum plus compulsory social security contributions regulated by Spanish law, as well as the provision of accommodation in Salamanca and a motor vehicle.

Mr Javier Colilla Peletero, has a contract of employment dated 1 July 2010 and amended on 12 December 2011 and 13 January 2015. The contract specifies the duties and obligations to be fulfilled by the Senior Vice President Corporate. The contract has a rolling term and may be terminated by the Company giving 6 months notice, or 12 months in the event of a change of control of the Company or if the position becomes redundant. In addition to the notice period, Mr Colilla will also be entitled to receive an amount equivalent to statutory unemployment benefits (approximately €25,000) and statutory severance benefits (equivalent to 45 days remuneration per year worked from 1 July 2010 to 11 February 2012, and 33 days remuneration per year worked from 12 February 2012 until termination). No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Colilla receives a fixed remuneration component of €190,000 per annum plus compulsory social security contributions regulated by Spanish law, as well as an allowance for the use of his private motor vehicle.

Mr Hugo Schumann, Corporate Manager, is engaged under a consultancy deed with Meadowbrook Enterprises Limited ('Meadowbrook') which was updated on 15 May 2016. The agreement specifies the duties and obligations to be fulfilled by Mr Schumann as Corporate Manager. The Company may terminate the agreement with three months written notice. No amount is payable in the event of termination for material breach of contract, gross misconduct or neglect. Meadowbrook will receive an annual consultancy fee of £150,000 and will be eligible for an annual bonus of up to £50,000 to be paid upon successful completion of key performance indicators as determined by the Managing Director and Board of Directors.

Mr Dylan Browne, Company Secretary and Chief Financial Officer has a letter of appointment dated 29 October 2015 confirming the terms and conditions of his appointment. Mr Browne's appointment letter is terminable pursuant to the Company's Constitution. Mr Browne receives a fee of £5,500 per annum pursuant to this appointment letter. In addition Candyl Limited ('Candyl'), a company of which Mr Browne is a director and shareholder, has a consultancy agreement with the Company, which specifies the duties and obligations to be fulfilled by Mr Browne as the Company Secretary and Chief Financial Officer. Either party may terminate the agreement with three months written notice. No amount is payable in the event of termination for material breach of contract, gross misconduct or neglect. Candyl will receive an annual consultancy fee of £60,500.

Equity instruments held by Key Management Personnel

Incentive Options and Performance Right holdings of Key Management Personnel

2016	Held at 1 July 2015	Granted as Compen-sation	Options Exercised/ Rights Converted	Net Other Changes	Held at 30 June 2016	Vested and exercise-able at 30 June 2016
Directors						
Ian Middlemas	4,000,000	-	(4,000,000)	-	-	-
Paul Atherley	4,000,000[1]	2,500,000	-	-	6,500,000	4,000,000
James Ross	200,000	-	-	-	200,000	-
Robert Behets	1,480,000	250,000	(1,150,000)	-	580,000	-
Other KMP						
Francisco Bellón del Rosal	2,950,000	1,400,000	(200,000)	(1,000,000)[2]	3,150,000	1,500,000
Javier Colilla Peletero	2,700,000	1,400,000	(200,000)	(750,000)[2]	3,150,000	1,500,000
Hugo Schumann[3]	310,000[3]	1,340,000	-	-	1,650,000	200,000
Dylan Browne	-[4]	460,000	-	-	460,000	-
Clint McGhie	360,000	200,000	-	-	560,000[5]	-

Notes

(1) Mr Atherley was appointed a Director with effect from 1 July 2015. In accordance with the terms of the consultancy deed with NAML under which Mr Atherley is engaged, NAML was granted 4,000,000 Incentive Options on 16 June 2015 which vested on commencement.
(2) Expiry of Incentive Options.
(3) As at appointment date being 1 July 2015.
(4) As at appointment date being 29 October 2015.
(5) As at resignation date being 29 October 2015.
(6) On 31 July 2015, Shareholders approved to vary the terms of 2,776,000 existing Performance Rights on issue by extending the milestone and expiry dates by 24 months.

Shareholdings of Key Management Personnel

2016	Held at 1 July 2015	Granted as Compen-sation	Options exercised / Rights converted	Net Other Changes	Held at 30 June 2016
Directors					
Ian Middlemas	5,300,000	-	4,000,000	-	9,300,000
Paul Atherley	854,000[1]	-	-	-	854,000
James Ross	415,000	-	-	-	415,000
Robert Behets	1,240,000	-	1,150,000	-	2,390,000
Other KMP					
Francisco Bellón del Rosal	203,200	-	200,000	-	403,200
Javier Colilla Peletero	450,000	-	200,000	-	650,000
Hugo Schumann	-[1]	-	-	-	-
Dylan Browne	-[2]	-	-	-	-

Notes

(1) As at appointment date being 1 July 2015.
(2) As at appointment date being 29 October 2015.

End of Remuneration Report.

AUDITOR'S AND OFFICERS' INDEMNITIES AND INSURANCE

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

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

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

NON-AUDIT SERVICES

During the year, the Company's auditor, Ernst & Young, received, or is due to receive, $72,898 (2015: nil) for the provision of non-audit services. The Directors are satisfied that the provision of non-audit services is compatible with the general standard and independence for auditors imposed by the Corporations Act.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on page 62 of the Annual Financial Report.

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

For and on behalf of the Directors

PAUL ATHERLEY
Managing Director

23 September 2016

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Competent Persons Statement

The information in this report that relates to the Definitive Feasibility Study, Mineral Resources for Zona 7, Ore Reserve Estimates, Mining, Uranium Preparation, Infrastructure, Production Targets and Cost Estimation is extracted from the announcement entitled 'Study confirms the Salamanca project as one of the world's lowest cost uranium producers' dated 14 July 2016, which is available to view on Berkeley's website at www.berkeleyenergia.com.

Berkeley confirms that: a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions and technical parameters underpinning the Mineral Resources, Ore Reserve Estimate, Production Target, and related forecast financial information derived from the Production Target included in the original announcement continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially modified from the original announcements.

The information in the original announcement that relates to the Definitive Feasibility Study is based on, and fairly represents, information compiled or reviewed by Mr. Jeffrey Peter Stevens, a Competent Person who is a Member of The Southern African Institute of Mining & Metallurgy, a 'Recognised Professional Organisation' ('RPO') included in a list posted on the ASX website from time to time. Mr. Stevens is employed by MDM Engineering (part of the Amec Foster Wheeler Group). Mr. Stevens has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in the original announcement that relates to the Ore Reserve Estimates, Mining, Uranium Preparation, Infrastructure, Production Targets and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Mr. Andrew David Pooley, a Competent Person who is a Member of The Southern African Institute of Mining and Metallurgy', RPO included in a list posted on the ASX website from time to time. Mr. Pooley is employed by Bara Consulting (Pty) Ltd. Mr. Pooley has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in the original announcement that relates to the Mineral Resources for Zona 7 is based on, and fairly represents, information compiled or reviewed by Mr Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by Maja Mining Limited, an independent consulting company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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

The information in this announcement that relates to the Mineral Resources for Alameda (refer ASX announcement dated 31 July 2012) is based on information compiled by Mr Craig Gwatkin, who is a Member of The Australasian Institute of Mining and Metallurgy and was an employee of Berkeley Energy Limited at the time of initial disclosure. Mr Gwatkin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gwatkin consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Forward Looking Statement

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
CONTINUING OPERATIONS			
Revenue and other income	2	**248,868**	588,829
Corporate and administration expenses		**(1,348,966)**	(894,444)
Exploration and evaluation expenses		**(9,213,493)**	(6,677,550)
Business Development expenses		**(1,614,099)**	(15,965)
Share-based payment expenses	16(a)	**(1,713,364)**	(866,475)
Loss before income tax		**(13,641,054)**	(7,865,605)
Income tax benefit/ (expense)	4	-	-
Loss after income tax		**(13,641,054)**	(7,865,605)
Other comprehensive income, net of income tax:			
Items that may be classified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**125,016**	(44,343)
Other comprehensive income/(loss), net of income tax		**125,016**	(44,343)
Total comprehensive loss for the year attributable to Members of Berkeley Energia Limited		**(13,516,038)**	(7,909,948)
Basic and diluted loss per share from continuing operations (cents per share)	19	**(7.47)**	(4.36)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	20(b)	**11,348,057**	13,398,617
Trade and other receivables	5	**7,301,108**	479,485
Total Current Assets		**18,649,165**	13,878,102
Non-current Assets			
Exploration expenditure	6	**7,788,515**	14,257,110
Property, plant and equipment	7	**1,852,230**	1,661,785
Other financial assets	8	**120,637**	65,113
Total Non-current Assets		**9,761,382**	15,984,008
TOTAL ASSETS		**28,410,547**	29,862,110
LIABILITIES			
Current Liabilities			
Trade and other payables	9	**2,081,914**	1,033,297
Other financial liabilities	10	**26,656**	290,278
Total Current Liabilities		**2,108,570**	1,323,575
TOTAL LIABILITIES		**2,108,570**	1,323,575
NET ASSETS		**26,301,977**	28,538,535
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	11	**129,514,703**	119,358,591
Reserves	12	**428,677**	(358,207)
Accumulated losses		**(103,641,403)**	(90,461,849)
TOTAL EQUITY		**26,301,977**	28,538,535

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Payments to suppliers and employees		**(11,578,946)**	(7,475,512)
Interest received		**289,672**	596,944
Rebates received		**11,802**	58,592
Net cash outflow from operating activities	20(a)	**(11,277,472)**	(6,819,976)
Cash flows from investing activities			
Exploration acquisition costs		**(12,050)**	(4,575)
Payments for property, plant and equipment		**(334,629)**	(59,685)
Net cash outflow from investing activities		**(346,679)**	(64,260)
Cash flows from financing activities			
Proceeds from issue of securities		**9,594,812**	-
Transaction costs from issue of securities		**(20,131)**	-
Net cash inflow from financing activities		**9,574,681**	-
Net decrease in cash and cash equivalents held		**(2,049,470)**	(6,884,236)
Cash and cash equivalents at the beginning of the financial year		**13,398,617**	20,245,401
Effects of exchange rate changes on cash and cash equivalents		**(1,090)**	37,452
Cash and cash equivalents at the end of the financial year	20(b)	**11,348,057**	13,398,617

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
As at 1 July 2015	**119,358,591**	**2,106,668**	**(2,464,875)**	**(90,461,849)**	**28,538,535**
Total comprehensive loss for the period:					
Net loss for the year	**-**	**-**	**-**	**(13,641,054)**	**(13,641,054)**
Other Comprehensive Income:					
Exchange differences arising on translation of foreign operations	**-**	**-**	**125,016**	**-**	**125,016**
Total comprehensive income/(loss)	**-**	**-**	**125,016**	**(13,641,054)**	**(13,516,038)**
Transactions with owners, recorded directly in equity:					
Issue of ordinary shares	**6,936,308**	**-**	**-**	**-**	**6,936,308**
Exercise of incentive options	**2,712,500**	**-**	**-**	**-**	**2,712,500**
Share issue costs	**(28,696)**	**-**	**-**	**-**	**(28,696)**
Expiry of incentive options	**-**	**(461,500)**	**-**	**461,500**	**-**
Transfer from share-based payments reserve	**536,000**	**(536,000)**	**-**	**-**	**-**
Share-based payments	**-**	**1,659,368**	**-**	**-**	**1,659,368**
As at 30 June 2016	**129,514,703**	**2,768,536**	**(2,339,859)**	**(103,641,403)**	**26,301,977**
As at 1 July 2014	119,358,591	1,240,193	(2,420,532)	(82,596,244)	35,582,008
Net loss for the year	-	-	-	(7,865,605)	(7,865,605)
Other Comprehensive Income:					
Exchange differences arising on translation of foreign operations	-	-	(44,343)	-	(44,343)
Total comprehensive loss	-	-	(44,343)	(7,865,605)	(7,909,948)
Transactions with owners, recorded directly in equity:					
Cost of share based payments	-	866,475	-	-	866,475
As at 30 June 2015	119,358,591	2,106,668	(2,464,875)	(90,461,849)	28,538,535

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of Berkeley Energia Limited ('Berkeley' or 'Company' or 'Parent') and its consolidated entities ('Consolidated Entity' or 'Group') for the year ended 30 June 2016 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 2016 was authorised for issue in accordance with a resolution of the Directors.

(a) Basis of Preparation

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

The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars.

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

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.

New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

(i) AASB 1031, AASB 9 and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments; and

(ii) AASB 1031 Materiality and AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.

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

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 2016. These are outlined in the table below and overleaf, but these are not expected to have any significant impact on the Group's financial statements.

Title	Summary	Application Date of Standard	Application Date for Group
AASB 9 *Financial Instruments*	AASB 9 is a new standard which replaces AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 incorporates a simplified model for classifying and recognising financial instruments, a new impairment model, and a substantially-reformed approach to hedge accounting.	1 January 2018	1 July 2018
AASB 15 *Revenue from Contracts with Customers*	AASB 15 is a new standard which replace AASB 118 (which covers contracts for goods and services) and AASB 111 (which covers construction contracts). AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.	1 January 2018	1 July 2018
AASB 16 *Leases*	AASB 16 is a new standard which replaces AASB 117 *Leases*. AASB 16 will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts.	1 January 2019	1 July 2019
AASB 2015-1 *Annual Improvements to Australian Accounting Standards 2012–2014 Cycle*	Amendments to clarify minor points in various accounting standards, including AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, AASB 7 *Financial Instruments: Disclosures*, AASB 119 *Employee Benefits* and AASB 134 *Interim Financial Reporting*.	1 January 2016	1 July 2016
AASB 2015-2 *Disclosure Initiative: Amendments to AASB 101*	Amends AASB 101 *Presentation of Financial Statements* to clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of the financial statements to their circumstances and the needs of users.	1 January 2016	1 July 2016
AASB 2016-1 *Recognition of Deferred Tax Assets for Unrealised Losses*	Amends AASB 112 *Income Taxes* to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017	1 July 2017
AASB 2016-2 *Disclosure Initiative: Amendments to AASB 107*	Amends AASB 107 *Statement of Cash Flows* to introduce additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 January 2017	1 July 2017
AASB 1057 *Application of Australian Accounting Standards* (as amended by AASB 2015-9 *Scope and Application Paragraphs*)	This Standard effectively moves Australian specific application paragraphs from each Standard into a combined Standard. The Standard has no impact on the application of individual standards.	1 January 2016	1 July 2016
AASB 2 *Classification and Measurement of Share-based Payment Transactions*	This standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: - The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments - Share-based payment transactions with a net settlement feature for withholding tax obligations A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled	1 January 2018	1 July 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Berkeley Energia Limited at reporting date. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

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

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

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

(d) Business Combinations

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

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

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

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

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

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(e) Operating Segments

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

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

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

(f) Significant Accounting Judgements, Estimates and Assumptions

(i) Significant accounting judgements

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

Exploration and evaluation expenditure

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

Recovery of Deferred Tax Assets

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

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

Inter Company Loans

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

(ii) Significant accounting estimates and assumptions

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 of options is determined by an external valuer using a binomial model or Black-Scholes model. The fair value of performance rights are estimated using the seven day volume weighted average share price prior to grant date.

(g) Revenue Recognition

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

(i) Sale of Goods

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

(ii) Interest

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

(h) Foreign Currency Translation

Both the functional and presentation currency of Berkeley at 30 June 2016 was Australian Dollars.

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

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

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

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

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

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

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

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

(i) Income Tax

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

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

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

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

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

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

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

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

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

(j) Cash and Cash Equivalents

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment of Assets

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

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

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

(l) Trade and Other Receivables

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

(m) Fair Value Estimation

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market 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.

(n) Investments and Other Financial Assets

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

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

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance date. Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Property, Plant and Equipment

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

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

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

	Life
Plant and equipment	2 - 13 years

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

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

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

(p) Trade and Other Payables

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

(q) Employee Leave Benefits

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

(r) Issued Capital

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

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

(s) Dividends

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

(t) Earnings per Share (EPS)

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

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

(u) Exploration and Evaluation Expenditure

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

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

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

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

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

(v) Goods and Services Tax

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

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

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

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

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

(w) Share Based Payments

(i) Equity settled transactions:

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Share Based Payments (Continued)

(i) Equity settled transactions (Continued):

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

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

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

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

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

(x) Provisions

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

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

	2016 $	2015 $
2. REVENUE AND OTHER INCOME		
Revenue – Interest Income	**237,065**	530,237
R&D Rebate received	**11,803**	58,592
	248,868	588,829

3. EXPENSES AND LOSSES

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

	2016 $	2015 $
(a) Expenses		
Depreciation and amortisation		
- Plant and equipment	**144,184**	147,914
(b) Employee Benefits Expense		
Salaries, wages and fees	**3,263,431**	1,916,190
Defined contribution/Social Security	**498,761**	491,518
Share-based payments (refer Note 16(a))	**1,659,368**	866,475
Total Employee Benefits Expense	**5,421,560**	3,274,183

	2016 $	2015 $
4. INCOME TAX EXPENSE		
(a) Recognised in the Income Statement		
Current income tax		
Current income tax expense/(benefit)		-
Adjustments in respect of current income tax of previous years	**(170,489)**	56,811
Deferred income tax		
Origination and reversal of temporary differences	**(3,402,109)**	(2,089,612)
Deferred tax asset not brought to account	**3,572,598**	2,032,801
Deferred tax asset not brought to account	**-**	-
Income tax (benefit)/ 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	**-**	-
Transfer from equity to profit and loss on sale	**-**	-
Temporary differences not brought to account	**-**	-
Income tax expense reported in equity	**-**	**-**
(c) Reconciliation Between Tax Expense and Accounting Loss Before Income Tax		
Accounting loss before income tax	**(13,641,054)**	(7,865,605)
At the domestic income tax rate of 30% (2015: 30%)	**(4,092,316)**	(2,359,682)
Expenditure not allowable for income tax purposes	**693,421**	291,528
Income not assessable for income tax purposes	**(3,541)**	(17,578)
Foreign currency exchange gains and other translation adjustments	**327**	(3,880)
Adjustments in respect of current income tax of previous years	**(170,489)**	56,811
Temporary differences not brought to account	**3,572,598**	2,032,801
Income tax (benefit)/ expense reported in the income statement	**-**	**-**

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	2016 $	2015 $
4. INCOME TAX EXPENSE (Continued)		
(d) Deferred Income Tax		
Deferred income tax relates to the following:		
Deferred Tax Liabilities		
Accrued interest	**5,138**	20,919
Deferred tax assets used to offset deferred tax liabilities	**(5,138)**	(20,919)
	-	-
Deferred Tax Assets		
Accrued expenditure	**101,748**	12,960
Exploration and evaluation assets	**7,482,890**	5,926,732
Tax losses available to offset against future taxable income	**9,062,012**	7,061,353
Deferred tax assets used to offset deferred tax liabilities	**(5,138)**	(20,919)
Deferred tax assets not brought to account	**(16,641,512)**	(12,980,126)
	-	-

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 Energia Limited is the only Australian company in the Group, tax consolidations are not applicable.

5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	Notes	2016 $	2015 $
GST and other taxes receivable		**416,969**	334,968
Interest receivable		**17,125**	69,731
Advanced royalty sale receivable	**6**	**6,739,550**	-
Other		**127,464**	74,786
		7,301,108	479,485

All trade and other receivables are current and no amounts are impaired

6. NON-CURRENT ASSETS – EXPLORATION EXPENDITURE

The group has mineral exploration costs carried forward in respect of areas of interest[1]:

	Notes	2016 $	2015 $
Areas in exploration at cost:			
Balance at the beginning of year		**14,257,110**	14,268,990
Net (disposals)/ additions		**12,484**	(14,305)
Deduction from advanced royalty sale receivable[2]	**5**	**(6,739,550)**	-
Foreign exchange differences		**258,471**	2,425
Balance at end of year		**7,788,515**	14,257,110

Notes:

(1) The value of the exploration interests is dependent upon the discovery of commercially viable reserves and the successful development or alternatively sale, of the respective tenements. An amount of €6m (A$8.69m) relates to the capitalisation of the fees paid to ENUSA under the Co-operation Agreement relating to the tenements within the State Reserves. The Company reached agreement with ENUSA in July 2012 in the form of an Addendum to the Consortium Agreement signed in January 2009. The Addendum includes the following terms:

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

(2) During the year, the Company completed an upfront royalty sale to major shareholder RCF. The royalty financing comprised the sale of a 0.375% fully secured net smelter royalty over the project for US$5 million (A$6.7million). The funds from the royalty were received subsequent to the end of the year.

	2016 $	2015 $
7. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
(a) Plant and equipment		
At beginning of financial year, net of accumulated depreciation and impairment	**230,605**	327,477
Additions	**79,301**	56,547
Depreciation charge for the year	**(112,178)**	(117,989)
Disposals	**(16,419)**	(33,610)
Foreign exchange differences	**7,829**	(1,820)
At end of financial year, net of accumulated depreciation and impairment	**189,138**	230,605
At beginning of financial year		
Cost	**816,333**	864,023
Accumulated depreciation and impairment	**(585,728)**	(536,546)
Net carrying amount	**230,605**	327,477
At end of financial year		
Cost	**1,123,504**	816,333
Accumulated depreciation and impairment	**(934,366)**	(585,728)
Net carrying amount	**189,138**	230,605
(b) Property		
At beginning of financial year, net of accumulated depreciation and impairment	**1,431,180**	1,457,774
Additions	**225,375**	3,138
Depreciation charge for the year	**(31,733)**	(29,925)
Foreign exchange differences	**38,270**	193
At end of financial year, net of accumulated depreciation and impairment	**1,663,092**	1,431,180
At beginning of financial year		
Cost	**1,513,975**	1,510,372
Accumulated depreciation and impairment	**(82,795)**	(52,598)
Net carrying amount	**1,431,180**	1,457,774
At end of financial year		
Cost	**1,779,413**	1,513,975
Accumulated depreciation and impairment	**(116,321)**	(82,795)
Net carrying amount	**1,663,092**	1,431,180

	2016 $	2015 $
7. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (Continued)		
(c) Reconciliation		
At beginning of financial year, net of accumulated depreciation and impairment	**1,661,785**	1,785,251
Additions	**304,676**	59,685
Depreciation charge for the year	**(143,911)**	(147,914)
Disposals	**(16,419)**	(33,610)
Foreign exchange differences	**46,099**	(1,627)
At end of financial year, net of accumulated depreciation and impairment	**1,852,230**	1,661,785

8. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

	2016 $	2015 $
Security bonds	**120,637**	65,113

9. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade creditors	**1,751,792**	997,297
Accrued expenses	**330,122**	36,000
	2,081,914	1,033,297

All trade and other payables are current. There are no overdue amounts

10. CURRENT LIABILITIES – OTHER FINANCIAL LIABILITIES

	2016 $	2015 $
Other Financial Liabilities	**26,656**	290,278

11. ISSUED CAPITAL

(a) Issued and Paid up Capital

	2016 $	2015 $
198,323,023 (2015: 180,361,323) fully paid ordinary shares	**129,514,703**	119,358,591

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

Date	Details	Number of Shares	$
1 Jul 14	Opening Balance	180,361,323	119,358,591
30 Jun 15	**Closing Balance**	**180,361,323**	**119,358,591**
1 Jul 15	**Opening Balance**	**180,361,323**	**119,358,591**
22 Dec 15	Issue of shares on exercise of $0.475 Incentive Options	500,000	237,500
23 Dec 15	Issue of shares on conversion of Performance Rights	830,000	-
23 Dec 15	Issue of shares to consultant as part of their annual fee	120,000	53,996
19 May 16	Placement	11,011,700	6,882,312
19 May 16	Issue of shares on exercise of $0.45 incentive options	500,000	225,000
17 Jun 16	Issue of shares on exercise of $0.45 incentive options	5,000,000	2,250,000
Jul 15 to Jun 16	Transfer from share-based payments reserve	-	536,000
Jul 15 to Jun 16	Share issue costs	-	(28,696)
30 Jun 16	**Closing Balance**	**198,323,023**	**129,514,703**

(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.

11. ISSUED CAPITAL (Continued)

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

(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.

12. RESERVES

	Note	2016 $	2015 $
Share based payments reserve	12(b)	**2,768,536**	2,106,668
Foreign currency translation reserve		**(2,339,859)**	(2,464,875)
		428,677	(358,207)

(a) Nature and Purpose of Reserves

Share based payments reserve

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

Foreign currency translation reserve

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

(b) Movements in in Options and Performance Rights during the Past Two Years:

Date	Details	Number of Incentive Options	Number of Performance Rights	$
1 Jul 15	**Opening Balance**	**15,450,000**	**2,776,000**	**2,106,668**
21 Sep 15	Expiry of $0.41 Incentive Options	(1,000,000)	-	(203,000)
31 Jul 15	Grant of performance rights	-	4,804,000	-
22 Dec 15	Exercise of $0.475 Incentive Options	(500,000)	-	(117,500)
22 Dec 15	Expiry of $0.475 Incentive Options	(1,250,000)	-	(258,500)
23 Dec 15	Conversion of performance rights	-	(830,000)	(290,500)
12 Feb 16	Grant of performance rights	-	2,905,000	-
12 Feb 16	Grant of £0.25 Incentive Options	150,000	-	-
12 Feb 16	Grant of £0.30 Incentive Options	150,000	-	-
12 Feb 16	Grant of £0.40 Incentive Options	200,000	-	-
18 Mar 16	Grant of performance rights	-	900,000	-
19 May 16	Exercise of $0.45 Incentive Options	(500,000)	-	(128,000)
17 Jun 16	Exercise of $0.45 Incentive Options	(5,000,000)	-	-
Jul 15 to Jun 16	Share-based payments expense	-	-	1,659,368
30 Jun 16	**Closing Balance**	**7,700,000**	**10,555,000**	**2,768,536**

Date	Details	Number of Incentive Options	Number of Performance Rights	$
1 Jul 14	Opening Balance	8,250,000	4,194,000	1,240,193
31 Dec 14	Expiry of performance rights	-	(1,118,000)	(225,990)
19 Jun 14	Grant of £0.15 incentive options	3,600,000	-	-
19 Jun 14	Grant of £0.20 incentive options	3,600,000	-	-
Various	Lapse of performance rights	-	(300,000)	(35,868)
Jul 14 to Jun 15	Share-based payments expense	-	-	1,128,333
30 Jun 15	Closing Balance	15,450,000	2,776,000	2,106,668

13. PARENT ENTITY INFORMATION

	2016 $	2015 $
Current assets	**10,796,723**	12,675,710
Total assets	**25,898,486**	27,774,584
Current liabilities	**1,312,020**	171,751
Total liabilities	**1,312,020**	171,751
Net Assets	**24,586,465**	27,602,832
Issued Capital	**129,514,703**	119,358,591
Reserves	**2,768,536**	2,106,668
Accumulated losses	**(107,696,774)**	(93,862,427)
Total equity	**24,586,465**	27,602,832
Profit/(Loss) of the parent entity	**(14,295,847)**	318,239
Total comprehensive Profit/(Loss) of the parent entity	**(14,295,847)**	318,239

The Parent Company had no guarantees, commitments or contingencies at 30 June 2016 other than as disclosed elsewhere in this report.

14. 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 2016 %	Equity Interest 2015 %
Berkeley Exploration Ltd	UK	100	100
Berkeley Minera Espana, S.L.	Spain	100	100
Geothermal Energy Sources, S.L.	Spain	100	100

(b) Ultimate Parent

Berkeley Energia 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 15.

(d) Transactions with Related Parties in the Consolidated Group

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

15. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

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

Directors

Ian Middlemas	Chairman
Paul Atherley	Managing Director (appointed 1 July 2015)
James Ross	Non-Executive Director
Robert Behets	Non-Executive Director

Other KMP

Francisco Bellón del Rosal	General Manager Operations
Javier Colilla Peletero	Senior Vice President Corporate
Hugo Schumann	Corporate Manager (appointed 1 July 2015)
Dylan Browne	Chief Financial Officer and Company Secretary (appointed 29 October 2015)
Clint McGhie	Chief Financial Officer and Company Secretary (resigned 29 October 2015)

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 2015 to 30 June 2016.

(b) Key Management Personnel Compensation

	2016 $	2015 $
Short-term benefits	**2,055,105**	985,359
Post-employment benefits	**48,843**	36,227
Share-based payments	**1,353,107**	880,655
	3,457,055	1,902,241

16. SHARE-BASED PAYMENTS

(a) Recognised Share-Based Payment Expense

	2016 $	2015 $
Expense arising from equity-settled share-based payment transactions	**(1,659,368)**	(866,475)
Consultancy service costs settled by equity-settled share-based payment transactions	**(53,996)**	-
Total share-based payments recognised during the year	**(1,713,364)**	(866,475)

(b) Summary of Incentive Options and Performance Rights Granted as Share-based Payments

The following Incentive Options were granted as share-based payments during the last two years:

Options 2016	Number	Grant Date	Issue Date	Expiry Date	Exercise Price	Fair Value $
Series						
Series 1	150,000	8 Feb 16	12 Feb 16	30 Jun 18	£0.25	0.238
Series 2	150,000	8 Feb 16	12 Feb 16	30 Jun 18	£0.30	0.217
Series 3	200,000	8 Feb 16	12 Feb 16	30 Jun 18	£0.40	0.183

16. SHARE-BASED PAYMENTS (Continued)

(b) Summary of Incentive Options and Performance Rights Granted as Share-based Payments (Con't)

Options 2015	Number	Grant Date	Issue Date	Expiry Date	Exercise Price	Fair Value $
Series						
Series 1	1,600,000	15 Jun 15	19 Jun 15	30 Jun 18	£0.15	0.117
Series 2	1,600,000	15 Jun 15	19 Jun 15	30 Jun 18	£0.20	0.119
Series 3	2,000,000	16 Jun 15	19 Jun 15	30 Jun 18	£0.15	0.117
Series 4	2,000,000	16 Jun 15	19 Jun 15	30 Jun 18	£0.20	0.118

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

Options	2016 Number	2016 WAEP	2015 Number	2015 WAEP
Outstanding at beginning of year	**10,450,000**	**$0.388**	**3,250,000**	**$0.451**
Granted by the Company during the year	500,000	$0.668	7,200,000	$0.359
Exercised during the year	(1,000,000)	$0.463	-	-
Expired during the year	(2,250,000)	$0.446	-	-
Outstanding at end of year	**7,700,000**	**$0.379**	**10,450,000**	**$0.388**

The outstanding balance of Options as at 30 June 2016 is represented by:

- 3,600,000 unlisted options exercisable at £0.15 on or before 30 June 2018;
- 3,600,000 unlisted options exercisable at £0.20 on or before 30 June 2018;
- 150,000 unlisted options exercisable at £0.25 on or before 30 June 2018;
- 150,000 unlisted options exercisable at £0.30 on or before 30 June 2018; and
- 200,000 unlisted options exercisable at £0.40 on or before 30 June 2018.

The following Performance Rights were granted as share-based payments during the last two years:

Rights 2016	Number	Grant Date	Issue Date	Expiry Date	Exercise Price	Fair Value $
Series						
Series 1	830,000	31 Jul 15	31 Jul 15	31 Dec 16	-	0.350
Series 2	1,480,000	31 Jul 15	31 Jul 15	30 Jun 17	-	0.350
Series 3	1,012,000	31 Jul 15	31 Jul 15	31 Dec 18	-	0.350
Series 4	1,482,000	31 Jul 15	31 Jul 15	31 Dec 19	-	0.350
Series 5	665,000	8 Feb 16	12 Feb 16	30 Jun 17	-	0.470
Series 6	945,000	8 Feb 16	12 Feb 16	31 Dec 18	-	0.470
Series 7	1,295,000	8 Feb 16	12 Feb 16	31 Dec 19	-	0.470
Series 8	200,000	18 Mar 16	18 Mar 16	30 Jun 17	-	0.480
Series 9	300,000	18 Mar 16	18 Mar 16	31 Dec 18	-	0.480
Series 10	400,000	18 Mar 16	18 Mar 16	31 Dec 19	-	0.480

No Performance Rights were granted as share-based payments in the financial year ended 30 June 2015.

Options	2016 Number	2016 WAEP	2015 Number	2015 WAEP
Outstanding at beginning of year	**2,776,000**	**-**	**4,194,000**	**-**
Granted by the Company during the year	8,609,000	-	-	-
Expired during the year	-	-	(1,118,000)	-
Forfeited during the year	-	-	(300,000)	-
Converted during the year	(830,000)	-	-	-
Outstanding at end of year	**10,555,000**	**-**	**2,776,000**	**-**

The outstanding balance of Performance Rights as at 30 June 2016 is represented by:

- 2,345,000 Performance Rights expiring on 30 June 2017 (converted to shares on 29 July 2016);
- 3,585,000 Performance Rights expiring on 31 December 2018; and
- 4,625,000 Performance Rights expiring on 31 December 2019.

(c) Weighted Average Remaining Contractual Life

At 30 June 2016, the weighted average remaining contractual life for Options on issue that had been granted as share-based payments was 2.00 years (2015: 2.56 years) and of Performance Rights issued as share-based payments was 2.61 years (2015: 2.03 years).

(d) Range of Exercise Prices

At 30 June 2016, the range of exercise prices for Options on issue that had been granted as share-based payments was £0.15 to £0.40 (2015: $0.308 to $0.475). Performance Rights have no exercise price.

(e) Weighted Average Fair Value

The weighted average fair value of Options granted as share-based payments during the year ended 30 June 2016 was $0.210 (2015: $0.149). The weighted average fair value of Performance Rights ranted as share-based payments during the year ended 30 June 2016 was $0.404 (2015: $0.306).

16. SHARE-BASED PAYMENTS (Continued)

(f) Option and Performance Rights Pricing Model

The fair value of the equity-settled share Options and Performance Rights 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 and Performance Rights were granted.

The following table lists the inputs to the valuation model used for Options granted by the Group during the last two years:

Options 2016 Inputs	Series 1	Series 2	Series 3
Exercise price (£)	0.25	0.30	0.40
Exercise price (A$)	0.51	0.61	0.82
Grant date share price (A$)	0.47	0.47	0.47
Dividend yield [(1)]	-	-	-
Volatility [(2)]	90%	90%	90%
Risk-free interest rate	2%	2%	2%
Grant date	8 Feb 16	8 Feb 16	8 Feb 16
Expiry date	30 Jun 18	30 Jun 18	30 Jun 18
Expected life of option[(3)]	2.39	2.39	2.39
Fair value at grant date	0.238	0.217	0.183

Options 2015 Inputs	Series 1	Series 2	Series 3	Series 4
Exercise price (£)	£0.15	£0.20	£0.15	£0.20
Exercise price (A$)	$0.301	$0.402	$0.303	$0.404
Grant date share price (A$)	$0.255	$0.255	$0.255	$0.255
Dividend yield [(1)]	-	-	-	-
Volatility [(2)]	75%	75%	75%	75%
Risk-free interest rate	2.03%	2.11%	2.00%	2.09%
Grant date	15-Jun-15	15-Jun-15	16-Jun-15	16-Jun-15
Expiry date	30-Jun-18	30-Jun-19	30-Jun-18	30-Jun-19
Expected life of option[(3)]	3.04	4.04	3.04	4.04
Fair value at grant date	$0.117	$0.119	$0.117	$0.118

Notes:

(1) The dividend yield reflects the assumption that the current dividend payout will remain unchanged.
(2) The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.
(3) The expected life of the options is based on the expiry date of the options as there is limited track record of the early exercise of options.

Rights 2016 Inputs	Series 1	Series 2	Series 3	Series 4	Series 5
Exercise price (A$)					
Grant date share price (A$)	0.350	0.350	0.350	0.350	0.470
Dividend yield [(1)]	-	-	-	-	-
Volatility [(2)]	-	-	-	-	-
Risk-free interest rate	-	-	-	-	-
Grant date	31 Jul 15	31 Jul 15	31 Jul 15	31 Jul 15	8 Feb 16
Milestone date	31 Dec 15	31 Dec 16	31 Dec 17	31 Dec 18	31 Dec 16
Expiry date	31 Dec 16	30 Jun 17	31 Dec 18	31 Dec 19	30 Jun 17
Expected life of rights[(3)]	0.42	1.42	2.42	3.42	0.90
Fair value at grant date	0.350	0.350	0.350	0.350	0.470

Rights 2016 Inputs (Continued)	Series 6	Series 7	Series 8	Series 9	Series 10
Exercise price (A$)					
Grant date share price (A$)	0.470	0.470	0.480	0.480	0.480
Dividend yield (1)	-	-	-	-	-
Volatility (2)	-	-	-	-	-
Risk-free interest rate	-	-	-	-	-
Grant date	8 Feb 16	8 Feb 16	18 Mar 16	18 Mar 16	18 Mar 16
Milestone date	31 Dec 17	31 Dec 18	31 Dec 16	31 Dec 17	31 Dec 18
Expiry date	31 Dec 18	31 Dec 19	30 Jun 17	31 Dec 18	31 Dec 19
Expected life of rights(3)	1.90	2.90	0.79	1.79	2.79
Fair value at grant date	0.470	0.470	0.480	0.480	0.480

Notes:

(1) The dividend yield reflects the assumption that the current dividend payout will remain unchanged.
(2) The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.
(3) The expected life of the Performance Right is based on the Milestone Date of the Performance Rights as this is when the vesting condition is expected to be satisfied.

(f) Terms and conditions of Performance Rights

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

each Performance Right automatically converts into one Ordinary Share upon vesting of the Performance Right;

each Performance Right is subject to performance conditions (as determined by the Board from time to time) which must be satisfied in order for the Performance Right to vest;

the Performance Rights on issue as at 30 June 2016 each vest separately on completion of the each of the three milestones:

Definitive Feasibility Study Milestone means delivery of a positive Definitive Feasibility Study and Value Engineering, and the Company making a decision to proceed to development of operation evidenced by the Board resolving to continue to develop the Project.

Project Construction Milestone means completion of an agreed % (to be determined by the Board no later than the completion of the Definitive Feasibility Study Milestone) of the project development phase, as per the project development schedule and budget approved by the Board in accordance with the Definitive Feasibility Study Milestone.

Production Milestone means achievement of first uranium production.

if a performance condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Rights will lapse;

Ordinary Shares issued on conversion of the Performance Rights rank equally with the then Ordinary Shares of the Company;

application will be made by the Company to ASX for official quotation of the Ordinary Shares issued upon conversion of the Performance Rights;

if there is any reconstruction of the issued share capital of the Company, the rights of the Performance Right holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction;

no application for quotation of the Performance Rights will be made by the Company; and

without approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

	2016 $	2015 $
17. REMUNERATION OF AUDITORS		
Amounts received or due and receivable by Ernst & Young for:		
- an audit or review of the financial reports of the Company and any other entity in the Consolidated Group	**28,240**	-
- preparation of income tax return	**14,640**	-
Amounts received or due and receivable by related practices of Ernst & Young (2015: Stantons International) for:		
- an audit or review of the financial reports of the Company	**30,462**	33,000
- other services in relation to the Company	**58,258**	-
Other auditors for:		
- an audit or review of the financial reports	**10,824**	39,517
Total Auditors Remuneration	**142,424**	72,517

18. SEGMENT INFORMATION

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

Following the revision to AASB 8: Operating Segments, the corporate and administrative functions based in Australia are considered incidental to Consolidated Entity's uranium exploration activities in Spain. As a result, the Consolidated Entity operates in only one geographical segment, namely Spain.

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

	2016 $	2015 $
Australia	**3,834**	944
Spain	**9,757,548**	15,983,064
	9,761,382	15,984,008

19. EARNINGS PER SHARE

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

	2016 $	2015 $
Net loss used in calculating basic and diluted earnings per share	**(13,641,054)**	(7,865,605)

(a) Weighted Average Number of Shares

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

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	Number of Shares 2016	Number of Shares 2015
Weighted average number of ordinary shares used in calculating basic earnings per share	**182,620,204**	180,361,323
Effect of dilutive securities [(1)]	**-**	-
Adjusted weighted average number of ordinary shares and potential ordinary shares used in calculating basic and diluted earnings per share	**182,620,204**	180,361,323

Note

(1) At 30 June 2016, 7,700,000 options and 10,555,000 performance rights (which represent 18,255,000 potential ordinary shares) were considered not dilutive as they would decrease the loss per share for the year ended 30 June 2016.

(b) Conversions, Calls, Subscriptions or Issues after 30 June 2016

Since 30 June 2016, the Company has issued the following securities:

- On 29 July 2016, 2,345,000 Ordinary Shares were issued on the conversion of 2,345,000 Performance Rights on achieving the Definitive Feasibility Milestone.

Other than as outlined above, there have been no conversions to, calls of, or subscriptions for ordinary shares, since the reporting date and before the completion of this financial report.

20. STATEMENT OF CASH FLOWS

(a) Reconciliation of Net Loss Before Income Tax Expense to Net Cash Flows from Operating Activities

	2016 $	2015 $
Net loss before income tax expense	**(13,641,054)**	(7,865,605)
Adjustment for non-cash income and expense items		
Depreciation	**144,184**	147,914
Share-based payments expense	**1,713,364**	866,475
Other non-cash expenses	**-**	22,249
Foreign exchange movement	**-**	(52,351)
Changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**(82,073)**	136,587
Increase/(decrease) in trade and other payables	**643,630**	(75,245)
(Increase)/decrease in other financial assets	**(55,523)**	-
Net cash outflow from operating activities	**(11,277,472)**	(6,819,976)

	2016 $	2015 $
(b) Reconciliation of Cash and Cash Equivalents		
Cash at bank and on hand	**11,348,057**	1,898,617
Bank short term deposits	**-**	11,500,000
	11,348,057	13,398,617

20. STATEMENT OF CASH FLOWS (Continued)

(c) Credit Standby Arrangements with Banks

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

(d) Non-cash Financing and Investment Activities

30 June 2016

An amount of $53,996 was recognised as a share-based payment for the issue of shares to a consultant as part of their annual fee. Please refer to Note 16(a).

30 June 2015

There were no non-cash financing or investing activities during the year ended 30 June 2015.

21. FINANCIAL INSTRUMENTS

(a) Overview

The Group's principal financial instruments comprise receivables, payables, security deposits, other financial liabilities, 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:

	2016 $	2015 $
Current Assets		
Cash and cash equivalents	**11,348,057**	13,398,617
Trade and other receivables	**7,301,108**	479,485
	18,649,165	13,878,102
Non-current Assets		
Other financial assets	**120,637**	65,113
	120,637	65,113
	18,769,802	**13,943,215**

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

Trade and other receivables comprise GST/VAT receivable, accrued interest, other miscellaneous receivables and as at 30 June 2016 $6,739,550 (2015: nil) receivable from the advanced royalty payment owed from RCF. 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 2016 and 2015, 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.

2016	≤ 6 months $	6 - 12 months $	1 - 5 years $	≥ 5 years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	**11,348,057**	-	-	-	**11,348,057**
Trade and other receivables	**7,301,108**	-	-	-	**7,301,108**
Security bonds	-	-	**120,637**	-	**120,637**
	18,649,165	-	**120,637**	-	**18,769,802**
Financial Liabilities					
Trade and other payables	**2,081,914**	-	-	-	**2,081,914**
Other financial liabilities	**26,656**	-	-	-	**26,656**
	2,108,570	-	-	-	**2,108,570**

21. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk (Continued)

2015	≤ 6 months $	6 - 12 months $	1 - 5 years $	≥ 5 years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	13,398,617	-	-	-	13,398,617
Trade and other receivables	479,485	-	-	-	479,485
Security bonds	-	-	65,113	-	65,113
	13,878,102	-	65,113	-	13,943,215
Financial Liabilities					
Trade and other payables	1,033,297	-	-	-	1,033,297
Other financial liabilities	290,278	-	-	-	290,278
	1,323,575	-	-	-	1,323,575

(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:

	2016 $	2015 $
Interest-bearing Financial Instruments		
Cash at bank and on hand	**11,348,057**	1,898,617
Bank short term deposits	**-**	11,500,000
	11,348,057	13,398,617

The Group's cash at bank and on hand and short term deposits had a weighted average floating interest rate at year end of 2.12%% (2015: 2.72%).

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

Interest rate sensitivity

A sensitivity of one per cent has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 1% movement in interest rates at the reporting date would have increased (decreased) 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 2015.

	Profit or Loss	
	1% Increase $	1% Decrease $
2016		
Group		
Cash and cash equivalents	**113,480**	**(113,480)**
2015		
Group		
Cash and cash equivalents	133,986	(133,986)

(e) Foreign Currency Risk

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

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

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

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

Sensitivity analysis for currency risk

A sensitivity of 10 per cent has been selected as this is considered reasonable given historic and potential future changes in foreign currency rates. This has been applied to the net financial instruments of Berkeley Minera Espana, S.L. 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 2016 would have increased/(decreased) the net financial assets of the Spanish controlled entities by A$50,296 and (A$50,296) (2015: A$40,091 and (A$40,091)).

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, remain constant. The analysis for 2015 has been performed on the same basis.

(f) Equity Price Risk

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

Equity price sensitivity

There is no effect on the net loss or equity reserves as at 30 June 2016 as the Group does not have an exposure to equity price risk from equity investments at that date.

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

(g) Commodity Price Risk

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

21. 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.

22. CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2016 (2015: Nil).

23. SUBSEQUENT EVENTS

(i) On 14 July 2016, the Company announced the results of the completed DFS which confirmed the Salamanca mine as one of the lowest cost producers capable of generating strong after tax cash flow through the current low in the uranium price cycle;

(ii) On 29 July 2016, the Company issued 2,345,000 Ordinary shares on conversion of the DFS Performance Rights on the announcement of the DFS results;

(iii) 19 August 2016, the Company received the US$5 million for the advance royalty sale to RCF; and

(iv) On 20 September 2016, the Company announced that it had signed a LOI relating to the sale of the first million pounds of production from the Salamanca mine.

Other than as outlined above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2016, of the Consolidated Entity.

DIRECTORS' DECLARATION

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

(1) In the opinion of the Directors:

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

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

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

(iii) complying with International Financial Reporting Standards; and

(b) there are reasonable grounds to believe that the Company 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 2016.

On behalf of the Board.

PAUL ATHERLEY
Managing Director

23 September 2016

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

As lead auditor for the audit of Berkeley Energia Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit*;* and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

G H Meyerowitz
Partner
23 September 2016

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Independent auditor's report to the members of Berkeley Energia Limited

Report on the financial report

We have audited the accompanying financial report of Berkeley Energia Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 controls 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 controls. 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.

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*. We have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the directors’ report.

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Opinion

In our opinion:

a. the financial report of Berkeley Energia Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date

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

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the remuneration report of Berkeley Energia Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

G H Meyerowitz
Partner
Perth
23 September 2016