RELEVANT EVENT

Berkeley Energia Limited ("Berkeley" or the "Sociedad"), pursuant to article 17 of Regulation (EU) nº 596/2014 on market abuse and article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015 of October 23, hereby informs of the publication of the annual report for the exercise closed on June 30, 2018.

The complete text of the report is hereby attached.

In Madrid, on September 28, 2018

Casandra Alonso-Misol Gerlache,
authorised representative regarding notifications

2018

ANNUAL REPORT / INFORME ANUAL

Berkeley Energia Limited
LSE / ASX / BME : BKY ABN: 40 052 468 569

CORPORATE DIRECTORY | DIRECTORIO CORPORATIVO

DIRECTORS

Mr. Ian Middlemas	Chairman
Mr. Paul Atherley	Managing Director & CEO
Mr. Deepankar Panigrahi	Non - Executive Director
Mr. Nigel Jones	Non - Executive Director
Mr. Adam Parker	Non - Executive Director
Mr. Robert Behets	Non - Executive Director

COMPANY SECRETARY

Mr. Dylan Browne

SPANISH OFFICE

Berkeley Minera España, S. A.
Carretera SA - 322, Km 30
37495 Retortillo
Salamanca, Spain
Telephone +34 923 193 903

MAIN OFFICE

Unit 1B, Princes House
38 Jermyn Street,
London SW1Y 6DN
United Kingdom
Telephone +44 20 3903 1930

REGISTERED OFFICE

Level 9, BGC Centre
28 The Esplanade
Perth WA 6000
Telephone +61 8 9322 6322
Facsimile +61 8 9322 6558

WEBSITE

www.berkeleyenergia.com

EMAIL

info@berkeleyenergia.com

AUDITOR

SPAIN
Ernst & Young España

AUSTRALIA
Ernst & Young Australia - Perth

SOLICITORS

SPAIN
Uría Menéndez Abogados, S.L.P

UNITED KINGDOM
Bryan Cave Leighton Paisner LLP

AUSTRALIA
DLA Piper Australia

BANKERS

SPAIN
Santander Bank

AUSTRALIA
Australia and New Zeland
Banking Group Ltd.

SHARE REGISTRY

SPAIN
Iberclear
Plaza de la Lealtad, 1
28014 Madrid, Spain

UNITED KINGDOM
Computershare Investor Services PLC
The Pavilions, Bridgewater Road
Bristol BS99 6ZZ
Telephone +44 370 702 0000

AUSTRALIA
Computershare Investor Services Pty Ltd
Level 11, 172 St. Georges Terrace
Perth WA 6000
Telephone +61 8 9323 2000
Facsimile +61 8 9323 2033

STOCK EXCHANGE LISTINGS

SPAIN
Madrid, Barcelona, Bilbao and Valencia
Stock Exchanges (Code: BKY)

UNITED KINGDOM
London Stock Exchange - Main Board
(LSE Code: BKY)

AUSTRALIA
Australian Securities Exchange
(ASX Code: BKY)

CONTENTS | CONTENIDO

The Directors of Berkeley Energia 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 2018 ('Consolidated Entity' or 'Group').

OPERATING AND FINANCIAL REVIEW

Highlights

Berkeley is a high impact, clean energy company focused on bringing its wholly owned Salamanca mine into production.

During and subsequent to the end of the financial year, the Company successfully listed on both the Main Board of the London Stock Exchange and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

The Company is now the only mining company listed in Spain, the country that was the birth place of mining giant, Rio Tinto.

Both listings, London and Spain, represent a major step forward for the Company as it progresses with the Salamanca mine, providing economic stimulus and creating badly needed jobs in a region with some of the highest levels of unemployment in Europe.

The mine continues to receive strong support among key stakeholders in Spain, reflecting the growing awareness of the benefits this potential €250 million investment will bring to a region that has had over 120,000 people leave it in the last five years.

The Company's focus this year has been on conducting a detailed project review, aimed at ensuring that the optimal capital and operating costs are achieved. This was finalised subsequent to the end of the year and a further €9 million of potential capital cost savings have been identified.

The Company, which already sits at the bottom of the cost curve, will continue to identify any further areas for potential cost savings as it continues towards construction.

The arrival of the forecast supply demand deficit in the uranium market could be hastened as further production cuts have been announced whilst demand continues to grow.

There are currently 59 reactors under construction globally, a 25 year high in nuclear growth. An additional 170 are planned over the next decade and over 350 proposed by 2030.

The Salamanca mine is expected to reach production as the market enters the long-awaited supply/demand deficit that industry experts have called both fundamental and unavoidable.

Highlights for and subsequent to the year include:

- **Listed on the Main Board of the London Stock Exchange and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges**
  - A key step forward for the Company, which reflects its size and maturity and provides options for future growth potential;
  - The Company believes both listings will provide increased liquidity for its investor base and provide access to significant new pools of capital, both in the UK and across Europe; and
  - The listings are expected to deliver a higher profile for the Company in European markets, including local Spanish ownership of the Company's shares.

- **Announced further cost savings:**
  - Identified further opportunities to reduce the initial capital expenditure required to bring the mine into production by a potential ~€9 Million; and
  - Savings will be achieved through optimisation of plant capacities, outsourcing of peripheral infrastructure and reducing initial throughput for production from the Retortillo deposit.

OPERATING AND FINANCIAL REVIEW (Continued)

Highlights (Continued)

- **Completed a strategic investment of up to US$120m with the Oman sovereign wealth fund:**
  - Shareholders overwhelmingly voted to approve the strategic investment and the Company received the initial US$65 million tranche of funding in November 2017 which funds the capital costs for production; and
  - Mr Deepankar Panigrahi, Investment Manager in the Private Equity division of the fund joined the Board as a Non-Executive Director.

- **Strong support from key stakeholders:**
  - Over 200 of Salamanca's business community came together in support for the Company's potential €250 million investment in the region; and
  - The government of Castilla y Leon demonstrated its continued support for the mine in June when it rejected a resolution from opposition groups requesting that the Company's €250 million investment be halted.

- **Uranium market:**
  - Further production cuts during the year and more expected going forward as uranium supply continues to move into deficit;
  - Demand continues to grow across the world as governments and NGOs are increasingly advocating the inclusion of nuclear in their clean energy mix, the UK Government is committing £200 million to the development of the nuclear power industry;
  - The Company has 2.75 million pounds of U_3O_8 under contract for the first six years, with a further 1.25 million pounds of optional volume, at an average price above US$42, compared with a spot price of $22 per pound; and
  - The Company will continue to progressively build its offtake book and has granted the Oman sovereign wealth fund the right to match any future long-term offtake transactions.

- **Exploration:**
  - Exploration focused on identifying additional targets with similar characteristics to Zona 7 continued during the year; and
  - The anomalies found in the soil sampling programme carried out during the year were confirmed and a drill programme targeting the main anomalies is now being designed.

The Company is in an extremely strong financial position with A$101 million in cash.

Operations

Listed on Main Board of London Stock Exchange and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges

During the year the Company announced its admission to the London Stock Exchange for trading on its Main Market and simultaneously delisted from AIM.

The Prospectus was duly passported across to Spain and the Company listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges on the 18 July 2018.

Given the geographic location of the Salamanca mine and the size and maturity of the Company and its operations, listing on both the Main Board of the London Stock Exchange and the Spanish Stock Exchanges was considered appropriate to provide the Company with options for its future growth potential.

The Company believes that the listings will provide increased liquidity for its investor base and access to significant new pools of capital including large Spanish institutional shareholders, mutual funds and pension funds as well as retail shareholders in Europe, many of which could not be accessed previously.

Furthermore, the listings are expected to deliver a higher profile for the Company in European markets, including for local Spanish ownership of the Company's shares which is considered an important strategic consideration.

The Company is now the only mining company listed on the Spanish Stock Exchanges. At the end of the first day of trading the Company's shares closed up 50%, the best debut on the Madrid Stock Exchange for 18 years.

Both listings represent a major step forward for the Company as it continues with development at the Salamanca mine.

Berkeley Energia completed strategic investment of up to US$120m with Oman sovereign wealth fund

During the year, shareholders overwhelmingly voted to approve the strategic investment agreement with the Oman sovereign wealth fund ('SGRF').

All Conditions Precedent were met and the Company received the initial US$65 million tranche of funding in November 2017.

The investment comprises an interest-free and unsecured convertible loan note of US$65 million which can be converted into ordinary shares at 50 pence per share upon commissioning of the mine, as well as an options package exercisable at an average price of 85 pence per share contributing an additional US$55 million if exercised.

Detailed development identified further potential cost savings

With funding in place, a cost review undertaken by the Company has identified a number of opportunities to reduce the initial capital expenditure required to bring the mine into production.

Potential savings of up to €9 Million (based on the Front-End Engineering and Design ('FEED') estimate as announced on 6 July 2017) arise from:

- optimisation of plant capacities within the overall process design,
- outsourcing of peripheral infrastructure, and
- reducing initial throughput for production from the Retortillo deposit and right-sizing of the associated plant.

The proposed modifications remain consistent with the future expansion of production from Zona 7 and Alameda.

The initiatives proposed will be taken forward to detailed engineering in parallel with the commencement of planned on-site construction activity, including site preparation, bulk earthworks and initial civil construction works.

Continued support from key stakeholders

Berkeley is one of the largest investors in the Castilla y León region, which has some of the highest levels of unemployment in the EU, especially amongst young people. The local villages of Retortillo and Villavieja de Yeltes have seen their population decline by 30% in the last 20 years.

The government of the region demonstrated its continued support for the Salamanca mine in June when it rejected a resolution from opposition groups requesting that the Company's potential €250 million investment be halted.

This decision reinforces the support the Company received in June when over 200 members of Salamanca's business community came together in support for the Company's investment, which will create 2,500 jobs in a region which has had over 120,000 people leave it over the past five years.

Representatives of local businesses, contractors, suppliers and the heads of local business associations met in Salamanca and discussed how they could help support the mine development.

Employment and training

The project is located in an area that has suffered badly from intergenerational unemployment and rural desertification.

OPERATING AND FINANCIAL REVIEW (Continued)

Operations (Continued)

Employment and training (Continued)

To date, the Company has received a total of 22,740 job applications. Over 7,300 of these came from residents of the Salamanca region alone; with 400 of those coming from villages surrounding the project and of those, over 115 from Villavieja alone.

The University of Salamanca has estimated that for this type of business there will be a multiplier factor of 5.1 indirect jobs for every direct job created, resulting in over 2,500 direct and indirect jobs being created as a consequence of the Company's investment in the area.

To date, over 120 locals have attended courses organised by the Company and over 25% of residents from the local area have applied for jobs. The Company currently has a work force of nearly 70 people and over a quarter of these have been recruited from towns in the immediate vicinity.

Training programmes, which have been historically well attended and oversubscribed, will continue to run throughout the year ensuring that sufficient people from the local communities are qualified for jobs created during the construction and mining phases.

Commitment to the community

The Company has invested more than €70 million developing the Salamanca mine over the past decade and plans to invest an additional €250 million over the life of the project.

The Company has signed Cooperation Agreements with the highly supportive local municipalities, demonstrating its commitment to fostering positive relationships with these communities.

To date, through these agreements, the Company has provided Wifi networks for local villages, built play areas for children, repaired sewage water plants, upgraded sports facilities, and sponsored various sporting events and local festivals.

The Company has worked tirelessly over the past decade to develop positive and mutually beneficial relationships with the local communities and will continue to do so as construction ramps up.

The Company's extensive community efforts bore fruit recently when the local football team it sponsors gained promotion to the Spanish second division.

Committed to the highest environmental standards

The Salamanca mine is being developed to the highest international standards and the Company's commitment to the environment remains a priority. It holds certificates in Sustainable Mining and Environmental Excellence which were awarded by AENOR, an independent Spanish government agency. The Company was re-awarded both certificates following a consultation process with the agency.

The mine has been designed according to the very latest thinking on sustainable mining. The extraction and treatment areas will be continuously rehabilitated as operations progress and with minimum disturbance during operations. Once operations are complete, all areas utilised by the Company will be fully restored to an improved agricultural state.

As part of the Environmental Licence and the Environmental Measures Plan over 30,000 young oak trees will be planted over an area of 75 to 100 hectares. The first 20,000 of these will be planted in the nearby municipality of Vitigudino over an area of more than 500 hectares currently used by cattle farmers.

Strong uranium market fundamentals

The Salamanca mine is expected to reach production as the market enters a supply/demand deficit that industry experts have called both fundamental and unavoidable.

US and EU utilities looking to re-contract will be competing with Chinese and Japanese reactor demand, which may lead to higher spot and term contract prices.

These utilities, which represent 50% of global demand, have 665Mlbs of re-contracting requirement by 2027 as high priced 2005-2007 contracts run off; while 59 reactors are currently under construction globally, a 25 year high in nuclear growth. An additional 170 planned over the next decade and over 350 proposed by 2030.

On the supply side, the top two producers in the world Kazatomprom and Cameco, are taking a meaningful amount of production out of the market. Kazatomprom will reduce production by 20% over three years - equivalent to 25mlbs.

Meanwhile Cameco's total production in 2018 is expected to fall to 9.2mlbs while their delivery commitment remains at 33mlbs. The Company believes that there will be likely buyers in the spot market in order to make up some of the shortfall.

Further production cuts were announced during the year, with Paladin Energy announcing in May that it's Langer Heinrich mine in Namibia would be placed on care and maintenance.

The uranium spot price has risen lately to US$27.35 per pound.

Offtake programme and notable increase in public tender activity

The Company currently has 2.75 million pounds of U_3O_8 concentrate under long term contracts over the first six years of production. Potential exists to increase annual contracted volumes further as well as extend the contracts by a total of 1.25 million pounds.

The Company has maintained its preference to combine fixed and market related pricing across its contracts in order to secure positive margins in the early years of production whilst ensuring the Company remains exposed to potentially higher prices in the future.

Across the portfolio, the average fixed price per pound of contracted and optional volumes is above US$42 per pound. This compares favourably with the current spot price of around US$27.35 per pound.

The investment agreement signed with the Oman sovereign wealth fund grants the fund the right to match future long term uranium offtake transactions. This right to match is subject to an annual cap (on a rolling 12-month basis) which cannot exceed the greater of 1 million pounds of U_3O_8 concentrate per annum or 20% of annual production.

The Company intends to increase its offtaking activity this year once full construction of the mine is underway and will participate in public and private offtake opportunities with global utilities, reporting regularly on progress.

Exploration programme expanded targeting Zona 7 style deposits

The soil sampling programme continued throughout the year, focusing on identifying additional targets with similar characteristics to the Zona 7 and Retortillo deposits.

The process involves developing a fingerprint of the Zona 7 discovery (where a low radiometric anomaly existed) and the Retortillo deposit and looking for repetitions of these unique signatures in other areas of interest and then matching these with co-incident radon and geochemical anomalies and finally placed in a geological and structural setting.

During the year, the anomalies found in the soil sampling programme carried out at Salamanca II in the March 2018 quarter were confirmed. As with previous soil sampling campaigns, anomalies were detected by applying geostatistical data analysis to the Ionic Leach™ results, a method which allows for very high levels of detection of uranium and other economic minerals. This was supported by radiometric surveying and radon ground concentration measures.

The radon gas ground concentration surveying was particularly successful and was able to detect emanations from uranium orebodies more than 150 metres deep. After reviewing the latest ground radiometric campaigns, some anomalies detected remain open. Therefore, prospecting areas have been increased to test for extensions of these anomalies in Salamanca II region. A drill programme targeting the main anomalies is now being designed.

The Company is focused on finalising the ground radiometric and radon concentration surveying, which will feed in to the design of the drill programme to ensure the areas with the highest exploration potential are being targeted.

OPERATING AND FINANCIAL REVIEW (Continued)

Operations (Continued)

Corporate

Appointment of SGRF Nominee Director

Mr Deepankar Panigrahi, Investment Manager in the Private Equity division of SGRF joined the Board as a Non-Executive Director on 30 November 2017.

Mr Panigrahi has extensive experience across a variety of sectors and geographies covering all stages of the private equity process, including post investment management. Mr Panigrahi holds an Undergraduate and Master's degree in Economics with Distinction and Honours from the University of Michigan followed by an MBA from Cambridge University.

Results of Operations

The Consolidated Entity's net loss after tax for the year ended 30 June 2018 was $4,748,000 (2017: $16,050,000). Significant items contributing to the year end loss and substantial differences from the previous year include the following:

(i) Exploration and evaluation expenses of $12,040,000 (2017: $11,045,000), 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 and permitting for each separate area of interest. The increased exploration and evaluation expenditure for the year ended 30 June 2018 reflects additional activities undertaken at site during the year.

(ii) Business development expenses of $1,989,000 (2017: $2,697,000) which includes the Groups investor relations activities including but not limited to public relations costs, marketing and digital marketing, conference fees, travel costs, consultant fees, broker fees and stock exchange admission costs. The decrease in costs is predominantly due to the Company's focus on its EU listings during the year which has been recognised separately as discussed below.

(iii) Non-cash share-based payments expense of $545,000 (2017: $1,020,000) was recognised in respect of incentive securities granted to directors, employees and key consultants. The Company's policy is to expense the incentive securities over the vesting period (which for Performance Rights is generally the life of the security). The decrease in this expense is a direct result of less incentive securities on issue.

(iv) Non-cash fair value gain of $15,881,000 (2017: nil) of the convertible note and unlisted options issued to SGRF ('SGRF Options'). These financial liabilities increase or decrease in value in correlation with the Company's share price. As the convertible note and SGRF Options convert into shares, the liabilities will be reclassified to equity and will require no cash settlement by the Company.

Commercially, the intentions of both SGRF and the Company prior to completing the convertible note transaction was to enter into an equity arrangement. The Company has however complied with the accounting standards and accounted for the convertible note as a financial liability.

Under the ASX Listing Rules, the convertible note and SGRF Options are defined as equity securities.

Due to the conversion terms of the convertible note leading to the issuance of a variable number of ordinary shares in the Company in return for conversion of the convertible note, the Company is required under the accounting standards to account for the convertible note as a current financial liability at fair value through profit and loss, despite the Company having no obligation to extinguish the convertible note using its cash resources.

The Group also incurred one off costs to issue the convertible note and SGRF Options of $2,697,000.

(v) One off listing expenses of $777,000 (2017: nil) for the Company's successful listing on the Main board of the London Stock Exchange and the Spanish Stock Exchanges.

(vi) Recognition of interest income of $1,034,000 (2017: $464,000). The large increase in interest income reflects the larger cash position of the Group during the year.

Financial Position

At 30 June 2018, the Group is in an extremely good financial position with cash reserves of $100,935,000.

The Group had net assets of $46,780,000 at 30 June 2018 (2017: $48,467,000), a decrease of 3% compared with the previous year. This decrease is consistent with the higher cash balance offset by the recognition of the non-cash financial liabilities at fair value through profit and loss (the convertible note and SGRF Options).

Business Strategies and Prospects for Future Financial Years

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

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

- Progress with seeking further offtake partners. The Company has maintained its preference to combine fixed and market related pricing across its contracts in order to secure positive margins in the early years of production whilst ensuring the Company remains exposed to potentially higher prices in the future;
- Advance the Salamanca mine through the development phase into the main construction phase and then into production;
- Continue to progress permitting and maintain the required licences to develop and operate at the Salamanca mine;
- 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
- Assess other mine development opportunities at the Salamanca mine.

As with any other mining projects, 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 but are not limited to the following:

Mining licences and government approvals required – With the mining licence, environmental licence and the authorisation of exceptional land use already obtained at the Salamanca mine, the next two major approvals for the mine includes the Urbanism Licence by the relevant municipal authority and the Construction Authorisation by the Ministry of Ecological Transition for the treatment plant as a radioactive facility. The Company is currently seeking an express resolution from the local municipality on the award of the Urbanism Licence. As the municipality is currently without a general secretary, who normally approves this kind of licence, the Urbanism Licence has been forwarded to the Diputación de Salamanca ('Diputación') for their review and comments. Subsequent to the end of the year, the Diputación issued a notice to the municipality recommending that the Urbanism Licence should not be awarded until two outstanding items regarding the licence are resolved, which the Company is working towards to resolve. The timing of the award of the Urbanism Licence continues to remain uncertain, is outside of the Company's control, and is unlikely to be received imminently. As a result, the construction and commissioning phases of the Salamanca mine are expected to commence late in 2018 and 2019 respectively, as previously advised, subject to the award of the Urbanism Licence and all other relevant permits and approvals.

Various appeals have also been made against a number of permits and approvals discussed above, 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. Whilst none of these appeals have been finally determined, no precautionary or interim measures have been granted in relation to the appeals regarding the award of licences and authorisations at the Salamanca mine to date. However, the successful development of the Salamanca mine will be dependent on the granting of all permits and licences necessary for the construction and production phases, in particular the award of the Urbanism Licence and Construction Authorisation which will allow for the construction of the plant as a radioactive facility with both approvals currently outstanding.

The Company has received more than 120 favourable reports and permits for the development of the mine to date, however 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. If the required permits and licences are not obtained, then this could have a material adverse effect on the Group's financial performance, which may lead to a reduction in the carrying value of assets and may materially jeopardise the viability of the Salamanca mine and the price of its Ordinary Shares.

OPERATING AND FINANCIAL REVIEW (Continued)

Business Strategies and Prospects for Future Financial Years (Continued)

The Company's activities are subject to Government regulations and approvals – Any material adverse changes in government policies or legislation of Spain that affect uranium mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of the Salamanca mine. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could adversely impact the Group's mineral properties;

Additional requirements for capital – The issue of the US$65 million Convertible Note and SGRF Options to SGRF has provided the Company the funds to complete the upfront capital items at the Salamanca mine, subject to the SGRF Options being exercised early. Due to the delays in the receipt of final permits as discussed above (the receipt of express resolution on the Urbanism Licence and the Construction Authorisation) the Company has been funding its ongoing working capital requirements which has reduced the amount available to fund full construction. This position will continue for so long as the final permits remain outstanding, unless the SGRF Options are exercised early. As a result of these delays, the Company expects that following receipt of the permits and in order to fully fund the full construction of the Salamanca mine into steady state production, it will be required to raise additional funding in order to meet the capital costs of the mine development and to fund working capital until positive cash flows are achieved. As a result, it is expected that the Salamanca mine will not reach steady state production prior to 2020 and that fully funding full construction and reaching steady state production will be dependent on the SGRF Options being exercised or alternative funding being secured;

The Company may be adversely affected by fluctuations in commodity prices – The price of uranium has fluctuated widely since the Fukushima nuclear power plant disaster in March 2011 and is affected by further numerous factors beyond the control of the Company. Future production, if any, from the Salamanca mine 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;

The Group's projects are not yet in production – As a result of the substantial expenditures involved in mine development projects, mine developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new mines are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the mine; 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.

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 and CEO
Mr Deepankar Panigrahi	Non-Executive Director (appointed 30 November 2017)
Mr Nigel Jones	Non-Executive Director
Mr Adam Parker	Non-Executive Director
Mr Robert Behets	Non-Executive Director

Unless otherwise disclosed, Directors held their office from 1 July 2017 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 Constellation Resources Limited (Novemberr 2017 – present), Apollo Minerals Limited (July 2016 – present), Cradle Resources Limited (May 2016 – present), Paringa Resources Limited (October 2013 – present), Prairie Mining Limited (August 2011 – present), Salt Lake Potash Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Piedmont Lithium Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present) and Syntonic Limited (April 2010 – June 2017).

Paul Atherley
Managing Director and CEO
Qualifications – B.Sc, MAppSc, MBA, ARSM

Mr Atherley is a highly experienced senior resources executive with wide ranging international and capital markets experience. He graduated as 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 Europe, China, Australia and Asia.

Mr Atherley was based in Beijing from 2005 to 2015 and 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 and the resources sector, hosting events in Beijing and appearing on CCTV News and China Radio International as well as BBC, CNBC and other major news channels.

Mr Atherley is a strong supporter of Women in STEM and has established a scholarship which provides funding for young women to further their education in science and engineering.

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 Rift Valley Resources (May 2018 – present), Leyshon Resources Limited (May 2004 – present) and Leyshon Energy Limited (January 2014 – July 2017).

Deepankar Panigrahi
Non-Executive Director
Qualifications – MS, MBA

Mr Panigrahi is an Investment Manager in the Private Equity division of SGRF and has extensive experience across a variety of sectors and geographies covering all stages of the private equity process, including post investment management. Mr Panigrahi holds an Undergraduate and Master's degree in Economics with Distinction and Honours from the University of Michigan followed by an MBA from Cambridge University.

Mr Panigrahi was appointed a director of the Company on 30 November 2017. Mr Panigrahi has not been a Director of another listed company in the three years prior to the end of the financial year.

CURRENT DIRECTORS AND OFFICERS (Continued)

Nigel Jones
Non-Executive Director
Qualifications – MA OXON (Alumnus of London Business School where Mr Jones completed a Corporate Finance Programme)

Mr Jones has thirty years' experience in the international mining sector. He has considerable corporate development and marketing expertise, including being responsible for the negotiation of key uranium supply agreements for Rio Tinto.

Mr Jones spent two decades at Rio Tinto, where ultimately he held the position of Global Head of Business Development and prior to that Managing Director of Rio Tinto Marine, Head of Investor Relations and Marketing Director, Uranium.

Mr Jones was recently appointed as Head of Private Side Capital Markets at ICBC Standard Bank, the global markets subsidiary of ICBC Bank, which is the world's largest bank by assets.

Mr Jones was appointed a Director of Berkeley Energia Limited on 7 June 2017. Mr Jones has not been a Director of another listed company in the three years prior to the end of the financial year.

Adam Parker
Non-Executive Director
Qualifications – MA.Chem (Hons), ASIP

Mr Parker joined the Company after a long and successful career in institutional fund management in the City of London spanning almost three decades, including being a co-founder of Majedie Asset Management, which today manages assets of approximately £14 billion.

Mr Parker began his career in 1987 at Mercury Asset Management (subsequently acquired by Merrill Lynch and now part of BlackRock) and left in 2002 when he co-founded Majedie Asset Management.

Mr Parker was instrumental in building Majedie Asset Management into the successful investment boutique that it is today. He managed funds including the Majedie UK Opportunities Fund, the Majedie UK Smaller Companies Fund and a quarter of the Majedie UK Focus Fund.

Mr Parker was appointed a Director of Berkeley Energia Limited on 14 June 2017. Mr Parker 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 Constellation Resources Limited (June 2017 – present), Apollo Minerals Limited (October 2016 – present), Equatorial Resources Limited (February 2016 to present), Piedmont Lithium Limited (February 2016 to May 2018) and Cradle Resources Limited (May 2016 to July 2017).

Mr Dylan Browne
Company Secretary
Qualifications – B.Com, CA, AGIA

Mr Browne is a Chartered Accountant and Associate Member of the Governance Institute of Australia (Chartered Secretary) who is currently Company Secretary for a number of ASX and European listed companies that operate in the resources sector. He commenced his career at a large international accounting firm and has since been involved with a number of exploration and development companies operating in the resources sector, based from London and Perth, including Apollo Minerals Limited, Prairie Mining Limited and Papillon Resources Limited. Mr Browne successfully listed Prairie on the Main Board of the London Stock Exchange and the Warsaw Stock Exchange in 2015 and recently oversaw Berkeley's listings on the Main Board LSE and the Madrid, Barcelona, Bilboa and Valencia Stock Exchanges. Mr Browne was appointed Company Secretary of the Company on 25 October 2012. Mr Browne was appointed Company Secretary of the Company on 29 October 2015.

OTHER KMP

Mr Francisco Bellón del Rosal (Francisco Bellón)
Chief Operations Officer
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 Sean Wade
Chief Commercial Officer
Qualifications – MA

Mr Wade is an experienced corporate executive with broad experience across natural resources and emerging markets. He commenced his career at Cazenove & Co and spent 20 years in a variety of roles in capital markets where he was involved in numerous transactions involving mining and other resource companies.

He subsequently led the communications strategy for Asia Resource Minerals (previously Bumi PLC) and more recently oversaw a wide-ranging communications portfolio for TBC Bank PLC, Georgia's largest universal bank.

Mr Wade holds a Masters degree in Social Anthropology from Cambridge University

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 2018 (2017: nil).

EARNINGS PER SHARE

	2018 Cents	2017 Cents
Basic and diluted loss per share	**(1.51)**	(6.88)

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.

(i) On 6 July 2017, the Company announced that the capital cost for the construction of the Salamanca mine has reduced to €82.3 million (US$93.8 million), a 1% reduction over previous estimates, confirming the project's status as one of the lowest cost uranium mine developments in the world today;

(ii) On 12 July 2017, the Company announced that the primary crusher for the Salamanca mine had been delivered to site, marking a key milestone in the future construction of the Salamanca mine;

(iii) On 30 November 2017 following shareholder approval, the Company completed an investment agreement with SGRF agreeing to invest up to US$120 million which comprised an interest-free and unsecured convertible loan note of US$65 million, as well as an options package exercisable at an average price of 85 pence per share contributing an additional US$55 million if exercised; and

(iv) On 6 June 2018, the Company completed the admission of its shares to the main market of the London Stock Exchange following approval of its prospectus by the UK Listing Authority.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

(i) On 9 July 2018, the Company announced that a capital cost review initiated by the Company has identified a number of opportunities to reduce the capital expenditure to bring the Salamanca mine into production with potential savings of €9 million (based on the FEED estimate in July 2017) which will be taken forward to detailed engineering; and

(ii) On 18 July 2018, the Company became Spain's only listed mining company following the admission of its shares to the Madrid, Barcelona, Bilboa and Valencia Stock Exchanges.

Other than as outlined above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2018 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2018, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2018, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2018, 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	3,193,622	2,000,000	1,850,000
Deepankar Panigrahi	-	-	-
Nigel Jones	35,000	-	-
Adam Parker	200,000	-	-
Robert Behets	2,490,000	-	480,000

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, Performance Rights, convertible notes and other unlisted options have been issued over unissued Ordinary Shares of the Company:

- 3,500,000 Incentive Options exercisable at £0.20 on or before 30 June 2019;
- 3,603,000 Performance Rights expiring on 31 December 2018;
- 4,643,000 Performance Rights expiring on 31 December 2019;
- Convertible note with a principal amount US$65 million convertible into shares 100,880,000 shares at a price of £0.50 per share expiring 30 November 2021 (‘Convertible Note’); and
- SGRF Options as follows:
  - 10,089,000 unlisted options exercisable at £0.60 each, vesting on conversion of the Convertible Note and expiring the earlier of 12 months after vesting or on 30 November 2022;
  - 15,133,000 unlisted options exercisable at £0.75 each, vesting on conversion of the Convertible Note and expiring the earlier of 18 months after vesting or on 30 May 2023; and
  - 25,222,000 unlisted options exercisable at £1.00 each, vesting on conversion of the Convertible Loan Note and expiring the earlier of 24 months after vesting or on 30 November 2023.

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 2018, 3,850,000 Ordinary Shares were issued as a result of the exercise of 3,850,000 Incentive Options and no Ordinary Shares were issued as a result of the conversion of 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, SGRF Options or conversion of Performance Rights or Convertible Note.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors and the board committees held during the year ended 30 June 2018, and the number of meetings attended by each director. During the year the Board resolved to establish a Remuneration and Nomination Committee.

The Board as a whole currently performs the functions of an Audit Committee and Risk Committee, however this will be reviewed should the size and nature of the Company's activities change.

	Board Meetings		Remuneration and Nomination Committee(i)	
Current Directors	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Ian Middlemas	5	5	-	-
Paul Atherley	5	4	-	-
Deepankar Panigrahi	4	4	-	-
Nigel Jones	5	5	2	2
Adam Parker	5	4	2	2
Robert Behets	5	5	2	2

Notes

(i) All Remuneration and Nomination Committee meetings during the year were considered and approved by means of written resolutions of committee members.

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 and CEO
Mr Deepankar Panigrahi	Non-Executive Director (appointed 30 November 2017)
Mr Nigel Jones	Non-Executive Director
Mr Adam Parker	Non-Executive Director
Mr Robert Behets	Non-Executive Director

Current KMP

Mr Francisco Bellón	Chief Operations Officer
Mr Dylan Browne	Company Secretary
Mr Sean Wade	Chief Commercial Officer (appointed 1 May 2018)

Former KMP

Mr Javier Colilla	Chief Administrations Officer (ceased as KMP 1 July 2017)
Mr Hugo Schumann	Chief Commercial Officer (ceased as KMP 1 January 2018)
Mr Paul Thomson	Chief Financial Officer (resigned 5 April 2018)

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 2017 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 development and construction activities;
- 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 and Nomination Committee

During the year and in response to the Company receiving at least 25% of votes cast against the Remuneration Report at the 2016 and 2017 AGM, the Board resolved to establish an independent Remuneration and Nomination Committee ('Remcom') to oversee the Group's remuneration and nomination responsibilities and governance. The remuneration committee members consist of three independent non-executive directors being Mr Parker (as Chair), Mr Jones and Mr Behets.

The Remcom's role is to determine the remuneration of the Company's executives, oversee the remuneration of KMP, and approve awards under the Company's long-term incentive plan ('LTIP').

The Remcom review's the performance of executives and KMP and set the scale and structure of their remuneration and the basis of their service/consulting agreements. In doing so, the Remcom will have due regard to the interests of shareholders.

In determining the remuneration of executives and KMP, the Remcom seeks to enable the Company to attract and retain executives of the highest calibre. In addition, the Remcom decides whether to grant incentives securities in the Company and, if these are to be granted, who the recipients should be.

Remuneration Policy for Executives

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component (Incentive Options, Performance Rights and cash bonuses, 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 will be reviewed annually by the Remcom. The process consists of a review of Company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short Term Incentive

Some KMP are entitled to an annual cash bonus upon achieving various key performance indicators ('KPI's'), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as successful completion of exploration activities (e.g. completion of exploration programmes within budgeted timeframes and costs), development activities (e.g. completion of feasibility studies and initial infrastructure), 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 financial year the Remcom concluded that no bonus (2017: $680,000) is to be paid, or is payable to KMP. The Remcom will be reviewing the Company's short term incentive remuneration for KMP and is only likely to complete this review prior to the end of the 2018 calendar year. The maximum amount that can be paid to KMP pursuant to their contracts is disclosed in the "Employment Contracts with Directors and KMP" section below.

REMUNERATION REPORT (AUDITED) (Continued)

Performance Based Remuneration – Long Term Incentive

The Group has adopted a 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 provides 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.

During the financial year, Performance Rights had been on issue or granted to certain KMP and other employees and consultants with the following performance conditions:

(a) **Project Construction Milestone** means completion of approximately 25% of the project development phase, as per the project development schedule and budget approved by the Board in accordance with the Definitive Feasibility Study before 31 December 2018; and

(b) **Production Milestone** means achievement of first uranium production before 31 December 2019.

In addition, the Group may provide unlisted 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. No Incentive Options were issued to KMP during the current financial year.

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.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. The maximum aggregate amount that may be paid to Non-Executive Directors in a financial year is $350,000, as approved by shareholders at a Meeting of Shareholders held on 6 May 2009. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not directly 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. Given the size, nature and opportunities of the Company, Non-Executive Directors may receive Incentive Options or Performance Rights in order to secure and retain their services.

Fees for the Chairman were set at $50,000 per annum (2017: $50,000) (including post-employment benefits).

Fees for Non-Executive Directors' were set at $45,000 per annum (2017: $30,000) (including post-employment benefits). These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees.

During the 2018 financial year, no Incentive Options or Performance Rights were granted to Non-Executive Directors.

The Company prohibits Non-Executive Directors entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

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 KPIs 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				Non-Cash			
2018	Salary & Fees $	Cash Incentive $	Other Non-Cash Benefits [7] $	Post Employment Benefits $	Share-Based Payments [6] $	Total $	Percentage of Total Remuneration that Consists of Options/ Rights %	Percentage Performance Related %
Directors								
Ian Middlemas	45,600	-	-	4,332	-	49,932	-	-
Paul Atherley	478,981	-	-	-	156,483	635,464	24.62	24.62
Deepankar Panigrahi[1]	26,250	-	-	-	-	26,250	-	-
Nigel Jones	45,029	-	-	-	-	45,029	-	-
Adam Parker	58,500	-	-	-	-	58,500	-	-
Robert Behets	41,097	-	-	3,903	14,333	59,333	24.16	24.16
Current KMP								
Francisco Bellón	299,978	-	47,244	21,398	94,461	463,081	20.40	20.40
Sean Wade[2]	48,922	-	-	-	-	48,922	-	-
Dylan Browne	125,088	-	-	-	36,935	162,023	22.80	22.80
Former KMP								
Paul Thomson[3]	252,633[4]	-	-	-	(24,980)	227,653	-	-
Hugo Schumann[5]	318,732[5]	-	-	-	26,834	345,566	15.30	15.30
Total	1,740,810	-	47,244	29,633	304,066	2,121,753		

Notes

(1) Mr Panigrahi was appointed a Director on 30 November 2017.
(2) Mr Wade was appointed as Chief Commercial Officer on 1 May 2018
(3) Mr Thomson resigned as Chief Financial Officer on 5 April 2018.
(4) Includes three months' notice period.
(5) Mr Schumann ceased as Chief Commercial Officer (and KMP) on 1 January 2018. Includes a transaction payment of $170,196 paid to Meadowbrook Enterprises Limited (A company Mr Schumann is a shareholder of) following the completion of the SGRF fund raising transaction completed during the year.
(6) Share-based payments are measured for by using a Black-Scholes valuation method and are expensed over the vesting period of the Performance Rights or Incentive Options issued. Performance Rights are linked to the achievement by the Company of certain performance conditions as determined by the Board from time to time with the Performance Rights only of any value to the holder if the performance conditions are satisfied prior to the expiry of the respective Performance Rights.
(7) Other Non-Cash Benefits includes payments made for housing and car benefits.

2017	Short-term Benefits Salary & Fees $	Cash Incentive $	Other Non-Cash Benefits(5) $	Post Employment Benefits $	Non-Cash Share-Based Payments (6) $	Total $	Percentage of Total Remuneration that Consists of Options/ Rights %	Percentage Performance Related %
Directors								
Ian Middlemas	45,600	-	-	4,332	-	49,932	-	-
Paul Atherley	459,754	422,852	-	-	309,294	1,191,900	25.95	61.43
Nigel Jones(1)	3,115	-	-	-	-	3,115	-	-
Adam Parker(2)	1,757	-	-	-	-	1,757	-	-
Robert Behets	27,398	-	-	2,603	31,424	61,425	51.16	51.16
James Ross(3)	25,634	-	-	2,435	23,347	51,416	45.41	45.41
Other KMP								
Francisco Bellón	281,791	86,705	45,197	19,808	178,366	611,867	29.15	43.32
Javier Colilla	281,791	14,451	37,978	19,808	178,366	532,394	33.50	36.22
Paul Thomson(4)	151,564	21,143	-	-	24,980	197,687	12.64	23.33
Hugo Schumann	252,453	84,570	-	-	181,441	518,464	35.00	51.31
Dylan Browne	109,451	50,744	-	-	81,623	241,818	33.75	54.74
Total	1,640,308	680,465	83,175	48,986	1,008,841	3,461,775		

Notes

(1) Mr Jones was appointed a Director on 7 June 2017.
(2) Mr Parker was appointed a Director on 14 June 2017.
(3) Mr Ross retired as a Director on 7 June 2017.
(4) Mr Thomson was appointed as Chief Financial Officer on 12 January 2017.
(5) Other Non-Cash Benefits includes payments made for housing and car benefits.
(6) Share-based payments are measured for by using a Black-Scholes valuation method and are expensed over the vesting period of the Performance Rights or Incentive Options issued. Performance Rights are linked to the achievement by the Company of certain performance conditions as determined by the Board from time to time with the Performance Rights only of any value to the holder if the performance conditions are satisfied prior to the expiry of the respective Performance Rights.

Incentive Options and Performance Rights Granted to KMP

No Incentive Options and Performance Rights were issued to KMP of the Group during the year ended 30 June 2018.

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

2018	Value of Incentive Options granted during the year $	Value of Incentive Options exercised during the year $	Value of Incentive Options included in remuneration for the year $	Percentage of remuneration that consists of Incentive Options %
Directors				
Paul Atherley	-	940,000(1)	-	-
Other KMP				
Francisco Bellón	-	352,500(2)	-	-

Notes

(1) On 29 June 2018, Mr Atherley exercised 2,000,000 Incentive Options. The value of the Incentive Options exercised was calculated by using the closing price on that date (A$0.73) less the exercise price £0.15 (A$0.26).
(2) On 29 June 2018, Mr Bellón exercised 750,000 Incentive Options. The value of the Incentive Options exercised was calculated by using the closing price on that date (A$0.73) less the exercise price £0.15 (A$0.26).

REMUNERATION REPORT (AUDITED) (Continued)

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 and CEO, has a letter of appointment dated 1 January 2018 confirming the terms and conditions of his appointment as the Managing Director. Mr Atherley's appointment letter is terminable pursuant to the Company's Constitution. Mr Atherley receives a fee of £25,000 per annum pursuant to this appointment letter. In addition, Mr Atherley is engaged under a consultancy deed with Selection Capital Ltd ('Selection Capital') dated 1 January 2018. The agreement specifies the duties and obligations to be fulfilled by Mr Atherley as CEO. 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. Selection Capital receives an annual consultancy fee of £250,000 and will be eligible for an annual cash incentive of up to £250,000 to be paid upon successful completion of key performance indicators as determined by the Board. In addition, Selection Capital will be entitled to receive a payment of £275,000 in the event of a change in control clause being triggered by the Company, subject to the payment being in compliance with the Corporations Act.

Mr Nigel Jones and Mr Panigrahi, Non-Executive Directors, have letters of appointment with Berkeley Energia Limited dated 5 June 2017 and 30 September 2018 respectively confirming the terms and conditions of his appointment. Both receive a fee of $45,000 per annum.

Mr Adam Parker, Non-Executive Director, has a letter of appointment with Berkeley Energia Limited dated 5 June 2017 confirming the terms and conditions of his appointment. Effective from 28 August 2017, Mr Parker receives a fee of $45,000 per annum for his Board duties and $15,000 for chairing the Remcom.

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 2017, Mr Behets has received a fee of $45,000 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 two months' notice.

Current other KMP

Mr Francisco Bellón, has a contract of employment dated 14 April 2011 and amended on 1 July 2011, 13 January 2015 and 16 March 2017. The contract specifies the duties and obligations to be fulfilled by the Chief Operations Officer. The contract has a rolling term and may be terminated by the Company giving six 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 Sean Wade is engaged under a consultancy deed with Keysford Limited ('Keysford') which specifies the duties and obligations to be fulfilled by Mr Wade as the Chief Commercial 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. Keysford receives an annual consultancy fee of £180,000

Mr Dylan Browne, Company Secretary, had a letter of appointment dated 29 October 2015 confirming the terms and conditions of his appointment. Mr Browne's appointment letter was terminable pursuant to the Company's Constitution and he received 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. Either party could 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 received an annual consultancy fee of £60,500. Both the appointment letter and Candyl consulting agreement were terminated effective 31 October 2017. On 1 November 2017, Mr Browne entered into a new consulting agreement which specified the duties and obligations to be fulfilled by Mr Browne as the Company Secretary. Either party can terminate the new agreement with three months written notice or payment in lieu. No amount is payable in the event of termination for material breach of contract, gross misconduct or neglect. Under the new consultancy agreement, Mr Browne receives a consultancy fee of $10,000 per month.

Equity instruments held by Key Management Personnel

Incentive Options and Performance Right holdings of KMP

2018	Held at 1 July 2017	Granted as Compen-sation	Vested Options exercised	Net Other Changes	Held at 30 June 2018	Vested and exerciseable at 30 June 2018
Directors						
Ian Middlemas	-	-	-	-	-	-
Paul Atherley	5,850,000	-	(2,000,000)	-	3,850,000	2,000,000
Deepankar Panigrahi	-[(1)]	-	-	-	-	-
Nigel Jones	-	-	-	-	-	-
Adam Parker	-	-	-	-	-	-
Robert Behets	480,000	-	-	-	480,000	-
Other KMP						
Francisco Bellón	2,750,000	-	(750,000)	-	2,000,000	750,000
Javier Colilla	2,750,000	-	-	-	2,750,000[(2)]	-
Paul Thomson	400,000	-	-	(400,000)[(3)]	-[(4)]	-
Hugo Schumann	1,100,000	-	-	-	1,100,000[(5)]	-
Sean Wade	-[(6)]	-	-	-	-	-
Dylan Browne	360,000	-	-	-	360,000	-

Notes

(1) As at appointment date being 30 November 2017
(2) As of cessation as a KMP being 1 July 2017
(3) Performance rights forfeited following resignation on 5 April 2018
(4) As of resignation date being 5 April 2018
(5) As of cessation as a KMP being 1 January 2018
(6) As at appointment date being 1 May 2018

Shareholdings of KMP

2018	Held at 1 July 2017	Granted as Compen-sation	Options exercised/Rights converted	On market purchase/ (sale)	Held at 30 June 2018
Directors					
Ian Middlemas	9,300,000	-	-	-	9,300,000
Paul Atherley	1,369,000	-	2,000,000	-	3,369,000
Deepankar Panigrahi	-(1)	-	-	-	-
Nigel Jones	-	-	-	-	-
Adam Parker	-	-	-	200,000	200,000
Robert Behets	2,490,000	-	-	-	2,490,000
Other KMP					
Francisco Bellón	700,000	-	750,000	(300,000)	1,150,000
Javier Colilla	810,555	-	-	-	810,555(2)
Paul Thomson	-	-	-	-	-(3)
Hugo Schumann	-	-	-	-	-(4)
Sean Wade	-(5)	-	-	-	-
Dylan Browne	100,000	-	-	(100,000)	-

Notes
(1) As at appointment date being 30 November 2017
(2) As at cessation as KMP being 1 July 2017
(3) As at resignation date being 5 April 2018
(4) As at cessation as KMP being 1 January 2018
(5) As at appointment date being 1 May 2018

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, $118,000 (2017: $81,000) 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.

ROUNDING

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on page 59 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 and CEO

28 September 2018

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 2018

	Note	2018 $000	2017 $000
Revenue	2	**1,034**	464
Corporate and administration expenses		**(1,588)**	(1,752)
Exploration and evaluation expenses		**(12,040)**	(11,045)
Business development expenses		**(1,989)**	(2,697)
Share-based payment expenses	18	**(545)**	(1,020)
Listing expenses		**(777)**	-
Costs to issue convertible note		**(2,697)**	-
Fair value movement on non-cash settled financial liabilities	3	**15,881**	-
Foreign exchange movements		**(2,027)**	
Loss before income tax		**(4,748)**	(16,050)
Income tax benefit/ (expense)	5	**-**	-
Loss after income tax		**(4,748)**	(16,050)
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		**1,430**	(344)
Other comprehensive income, net of income tax		**1,430**	(344)
Total comprehensive loss for the year attributable to Members of Berkeley Energia Limited		**(3,318)**	(16,394)
Basic and diluted loss per share (cents per share)	21	**(1.51)**	(6.88)

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 2018

	Note	2018 $000	2017 $000
ASSETS			
Current Assets			
Cash and cash equivalents	22	**100,935**	34,815
Trade and other receivables	6	**1,849**	1,478
Total Current Assets		**102,784**	36,293
Non-current Assets			
Exploration expenditure	7	**8,203**	7,945
Property, plant and equipment	8	**11,534**	9,799
Other financial assets	9	**527**	160
Total Non-current Assets		**20,264**	17,904
TOTAL ASSETS		**123,048**	54,197
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**909**	5,208
Provisions	11	**550**	522
Non-cash settled convertible note liability	12	**69,552**	-
Non-cash settled option liability	12	**5,257**	-
Total Current Liabilities		**76,268**	5,730
TOTAL LIABILITIES		**76,268**	5,730
NET ASSETS		**46,780**	48,467
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	13	**169,633**	168,051
Reserves	14	**1,549**	107
Accumulated losses		**(124,402)**	(119,691)
TOTAL EQUITY		**46,780**	48,467

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

CONSOLIDATED STATEMENT CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital $000	Share-Based Payments Reserve $000	Foreign Currency Translation Reserve $000	Accumulated Losses $000	Total Equity $000
As at 1 July 2017	**168,051**	**2,791**	**(2,684)**	**(119,691)**	**48,467**
Total comprehensive loss for the period:					
Net loss for the year	**-**	**-**	**-**	**(4,748)**	**(4,748)**
Other Comprehensive Income:					
Exchange differences arising on translation of foreign operations	**-**	**-**	**1,430**	**-**	**1,430**
Total comprehensive income/(loss)	**-**	**-**	**1,430**	**(4,748)**	**(3,318)**
Issue of ordinary shares	**1,105**	**-**	**-**	**-**	**1,105**
Exercise of Incentive Options	**479**	**(479)**	**-**	**-**	**-**
Share issue costs	**(2)**	**-**	**-**	**-**	**(2)**
Adjustment for Performance Rights forfeited	**-**	**(212)**	**-**	**-**	**(212)**
Adjustment for Incentive Options lapsed	**-**	**(37)**	**-**	**37**	**-**
Share-based payments	**-**	**740**	**-**	**-**	**740**
As at 30 June 2018	**169,633**	**2,803**	**(1,254)**	**(124,402)**	**46,780**
As at 1 July 2016	129,515	2,768	(2,340)	(103,641)	26,302
Total comprehensive loss for the period:					
Net loss for the year	-	-	-	(16,050)	(16,050)
Other Comprehensive Income:					
Exchange differences arising on translation of foreign operations	-	-	(344)	-	(344)
Total comprehensive income/(loss)	-	-	(344)	(16,050)	(16,394)
Issue of ordinary shares	39,745	-	-	-	39,745
Exercise of incentive options	58	-	-	-	58
Share issue costs	(2,217)	-	-	-	(2,217)
Adjustment for performance rights forfeited	-	(224)	-	-	(224)
Transfer from share-based payments reserve	950	(950)	-	-	-
Share-based payments	-	1,197	-	-	1,197
As at 30 June 2017	168,051	2,791	(2,684)	(119,691)	48,467

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $000	2017 $000
Cash flows from operating activities			
Payments to suppliers and employees		**(20,176)**	(12,701)
Interest received		**698**	460
Net cash outflow from operating activities	22(a)	**(19,478)**	(12,241)
Cash flows from investing activities			
Proceeds from sale of royalty	7	**-**	6,531
Payments for property, plant and equipment		**(1,461)**	(8,135)
Net cash outflow from investing activities		**(1,461)**	(1,604)
Cash flows from financing activities			
Proceeds from issue of securities		**1,088**	39,756
Transaction costs from issue of securities		**-**	(2,217)
Proceeds from issued of convertible note and options	12	**85,823**	-
Transaction costs from issue pf convertible note and options	12	**(2,697)**	-
Net cash inflow from financing activities		**84,214**	37,539
Net increase in cash and cash equivalents held		**63,275**	23,694
Cash and cash equivalents at the beginning of the financial year		**34,815**	11,348
Effects of exchange rate changes on cash and cash equivalents		**2,845**	(227)
Cash and cash equivalents at the end of the financial year	22(b)	**100,935**	34,815

The above Statement of Cash Flows 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 2018 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 ('ASX'), the Main Board of the London Stock Exchange ('LSE') and the Madrid, Barcelona, Bilboa and Valencia Stock Exchanges (together the 'Spanish Stock Exchanges').

The financial report of the Company for the year ended 30 June 2018 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 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets* for Unrealised Losses which clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not effected by possible future changes in the carrying amount or expected manner of recovery of the asset;

(ii) AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107; *Statement of Cash Flows;* and

(iii) AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements to Australian Accounting Standards 2012–2014 Cycle including AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* and AASB 12 *Disclosure of Interests in Other Entities*.

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 2018. Those which may be relevant to the Group are outlined in the table overleaf and are not expected to have a significant impact on the Group's financial statements.

Standard/Interpretation	Application date of standard	Application date for Group
AASB 9 *Financial Instruments*, and relevant amending standards	1 January 2018	1 July 2018
AASB 15 *Revenue from Contracts with Customers*, and relevant amending standards	1 January 2018	1 July 2018
AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*	1 January 2018	1 July 2018
AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018	1 July 2018
AASB 16 *Leases*	1 January 2019	1 July 2019
AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*	1 January 2019	1 July 2018

(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.

(d) Business Combinations

The aquisition 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Exploration and Evaluation Assets (Note 7) – the Group's accounting policy for exploration and evaluation assets is set out in Note 1(t). The application of this policy requires management to make certain judements and estimates as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found and the point at which exploration and evaluation assets should be transferred to mine development properties. The determination of an area of interest also requires judgement.
- Accounting financial liabilities (Note 12) – accounting for convertible notes requires judgement in respect of whether the host contract is debt or equity. Estimating fair value for financial liabilities requires the determination of the most appropriate valuation model and the determination of the most appropriate inputs to the valuation model. The assumptions used for estimating the fair value of the financial liabilities is disclosed in Note 12.
- Share-Based Payments (Note 18) - The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instrument at the date at which they are granted. Estimating fair value for share-based payment transactions requires the determination of the most appropriate valuation model. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield. The assumption and models used for estimating the fair value for share-based payment transactions are disclosed in Note 18.
- Functional currency of foreign operations (Note 1(g)) - determination of the functional currency of foreign subsidiaries requires judgement regarding the primary currency of labour, material and exploration spend in that subsidiary.

(f) 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) 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.

(g) Foreign Currency Translation

Both the functional and presentation currency of Berkeley at 30 June 2018 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.L.U	Euro
Berkeley Exploration Espana, S.L.U	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 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.

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.

(h) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Income Tax (Continued)

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.

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 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.

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) 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.

(j) Impairment of Non-Current Assets

The Group assesses at each reporting date whether there is an indication that a non-current 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 dispose 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. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) 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.

(l) Investments and Other Financial Assets

Classification

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, les 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.

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. Loans and receivables are carried at amortised cost using the effective interest rate method.

Impairment

Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Consolidated Entity will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(m) Property, Plant and Equipment

Property, 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.

Property, plant and equipment is depreciated on a reducing balance or straight line basis at rates based upon the individual assets effective useful life as follows:

	Life
Plant and equipment	2 - 13 years
Property (buildings)	50 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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. Payables are carried at amortised cost.

(o) Other financial liabilities

(i) Derivative Financial Liabilities

Initial recognition and measurement

Derivative liabilities are initially measured at fair value.

Subsequent measurement

Subsequent to initial recognition, derivatives are carried at fair value through profit or loss. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Profit or Loss in the period in which they arise.

Derecognition

Derivative liabilities are derecognised when the obligation under the liability is discharged or is cancelled.

(p) 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. Employee benefits payable later than 12 months have been measured using the projected unit credit valuation method.

(q) 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.

(r) 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.

(s) 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.

(t) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

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

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 and are recorded as an asset if:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:
- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure incurred by the group subsequent to the acquisition of the rights to explore is expensed as incurred, up to until a decision to develop or mine is made.

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 impairment 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 recognised and any remaining balance charged against profit or loss.

When a decision is made to proceed with development, the accumulated exploration and evaluation asset will be tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced. 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.

Impairment

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

(u) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Share Based Payments

(i) Equity settled transactions:

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

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

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

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

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

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

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

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

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

(w) 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 a provision is presented in the statement of profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

	Notes	2018 $000	2017 $000
2. REVENUE			
Interest revenue		**1,034**	464
		1,034	464

	Notes	2018 $000	2017 $000
3. FAIR VALUE MOVEMENTS			
Fair value gain on financial liabilities through profit and loss	**12(b)**	**15,881**	-

The fair value movements are a result of the fair value measurements of the convertible note and SGRF Options issued to SGRF during the year. These financial liabilities increase or decrease in size as the share price of the Company fluctuates. As the convertible note and SGRF Options convert into shares in the future, the liabilities will be reclassified to equity and will require no cash settlement by the Company. Please refer to Note 12 for further disclosure.

	2018 $000	2017 $000
4. EXPENSES		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
(a) Expenses		
Depreciation and amortisation		
- Plant and equipment	**(278)**	(188)
(b) Employee Benefits Expense		
Salaries, wages and fees	**(3,988)**	(3,729)
Defined contribution/Social Security	**(678)**	(513)
Share-based payments (refer Note 18(a))	**(528)**	(973)
Total Employee Benefits Expense	**(5,194)**	(5,215)

	2018 $000	2017 $000
5. INCOME TAX EXPENSE		
(a) Recognised in the Income Statement		
Current income tax		
Current income tax expense in respect of the year	**-**	-
Deferred income tax		
Relating to origination and reversal of temporary differences	**-**	-
Income tax reported in the income statement	**-**	-

5. INCOME TAX EXPENSE (Continued)

	2018 $000	2017 $000
(b) Reconciliation Between Tax Expense and Accounting Loss Before Income Tax		
Accounting loss before income tax	**(4,748)**	(16,050)
At the domestic income tax rate of 27.5% (2017: 27.5%)	**(1,306)**	(4,414)
Effect of decrease in Australian income tax rate	**-**	1,371
Expenditure not allowable for income tax purposes	**5,120**	459
Income not assessable for income tax purposes	**(4,366)**	-
Foreign currency exchange gains and other translation adjustments	**(236)**	16
Adjustments in respect of current income tax of previous years	**-**	199
Temporary differences previously not brought to account	**(237)**	-
Temporary differences not brought to account	**1,025**	2,369
Income tax (benefit)/expense reported in the income statement	-	-
(c) Deferred Income Tax		
Deferred income tax relates to the following:		
Deferred Tax Liabilities		
Accrued interest	**98**	6
Unrealised foreign exchange	**860**	
Deferred tax assets used to offset deferred tax liabilities	**(958)**	(6)
	-	-
Deferred Tax Assets		
Accrued expenditure	**10**	217
Capital allowances	**9,547**	9,208
Tax losses available to offset against future taxable income	**11,436**	9,591
Deferred tax assets used to offset deferred tax liabilities	**(958)**	(6)
Deferred tax assets not brought to account	**(20,035)**	(19,010)
	-	-

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.

(d) Tax Consolidations

As Berkeley Energia Limited is the only Australian company in the Group, tax consolidation is not applicable.

	2018 $000	2017 $000
6. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES		
GST and other taxes receivable	**1,320**	1,362
Interest receivable	**356**	20
Other	**173**	96
	1,849	1,478

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

	2018 $000	2017 $000
7. NON-CURRENT ASSETS – EXPLORATION EXPENDITURE		
The group has mineral exploration costs carried forward in respect of areas of interest(1)(2):		
Areas in exploration at cost:		
Balance at the beginning of year	**7,945**	7,789
Net additions	**106**	11
Foreign exchange differences	**152**	145
Balance at end of year	**8,203**	7,945

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$8.994m) was capitalised in respect of 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.

The Group's accounting policy is to account for contingent consideration on asset acquisitions as contingent liabilities.

(2) In June 2016, the Company completed an upfront royalty sale to major shareholder Resource Capital Funds ('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) which was deducted from exploration expenditure.

	2018 $000	2017 $000
8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT		
(a) Plant and equipment		
Net carrying amount at beginning of financial year	**900**	189
Additions	**410**	903
Depreciation charge for the year	**(279)**	(173)
Disposals	**-**	(13)
Foreign exchange differences	**76**	(6)
Net carrying amount at end of financial year	**1,107**	900
At end of financial year:		
Gross carrying amount – at cost	**2,419**	1,981
Accumulated depreciation and impairment	**(1,312)**	(1,081)
Net carrying amount at end of financial year	**1,107**	900

8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (Continued)

	2018 $000	2017 $000
(b) Property		
Net carrying amount at beginning of financial year	**8,899**	1,663
Additions	**988**	7,436
Depreciation charge for the year	**(32)**	(32)
Disposals	**-**	(64)
Foreign exchange differences	**572**	(104)
Net carrying amount at end of financial year	**10,427**	8,899
At end of financial year		
Gross carrying amount – at cost	**10,615**	9,046
Accumulated depreciation and impairment	**(188)**	(147)
Net carrying amount at end of financial year	**10,427**	8,899
(c) Total Property, Plant and Equipment		
Net carrying amount at beginning of financial year	**9,799**	1,852
Additions	**1,398**	8,339
Depreciation charge for the year	**(311)**	(205)
Disposals	**-**	(77)
Foreign exchange differences	**648**	(110)
Net carrying amount at end of financial year	**11,534**	9,799

	2018 $000	2017 $000
9. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS		
Security bonds	**527**	160
10. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES		
Trade creditors	**909**	5,208
	909	5,208

All trade and other payables are current. There are no overdue amounts. Trade creditors are non-interest bearing and settled on 30 day terms. Accrued expenses are non-interest bearing and have an average term of six months.

	2018 $000	2017 $000
11. CURRENT LIABILITIES – PROVISIONS		
Provisions	**550**	522

Reforestation provision to plant 30,000 young oak trees as part of the environmental licence at the project.

	2018 $000	2017 $000
12. NON-CASH SETTLED FINANCIAL LIABILITIES		
(a) Financial liabilities at fair value through profit and loss		
Convertible note	**69,552**	-
SGRF Options	**5,257**	-
	74,809	-

On 30 November 2017, the Company issued an interest-free and unsecured US$65 million convertible note to SGRF which can be converted into ordinary shares at £0.50 per share by the Company upon commissioning of the Salamanca mine, or by SGRF at any time at their choosing. Should the Company raise further equity prior to conversion of the convertible note at a price below £0.50 then the conversion price of the convertible note will be reset to the issue price of the equity raising, subject to a floor price of £0.27 per share. If mine commissioning has not occurred by 30 November 2021, then the convertible note will automatically convert into shares at the lower of £0.50 per share or the last trading price of the Company's shares on LSE at the relevant time, subject to conversion at the floor price of £0.27 per share. The exchange rate fixed in the contract is US$1.00: £0.776.

Due to the conversion terms of the convertible note leading to the issuance of a variable number of ordinary shares in the Company in return for conversion of the convertible note, the Company is required under the accounting standards to account for the convertible note as a financial liability through profit or loss, despite the Company having no obligation to extinguish the convertible note using its cash and cash equivalents.

As part of the convertible note transaction, the Company also issued SGRF with 50,443,124 unlisted options which are exercisable at an average price of £0.85 per share contributing an additional US$55 million of funding if exercised in the future.

The Company received gross proceeds of A$85,823,000 for the issue of the convertible note and the SGRF Options and incurred transaction costs of A$2,697,000 which have been expensed in the Statement of profit or loss.

12. NON-CASH SETTLED FINANCIAL LIABILITIES (Continued)

	Consolidated 30 November 2017 Initial Recognition $000	Fair Value Change $000	Foreign Exchange Loss/(Gain) $000	Consolidated 30 June 2018 Total $000
(b) Reconciliation				
Convertible note and options				
Gross proceeds on issue of convertible note and options	85,823			
	85,823			
Convertible note	73,077	(7,375)	3,850	**69,552**
SGRF Options	12,746	(8,506)	1,017	**5,257**
Total fair value	**85,823**	**(15,881)**	**4,867**	**74,809**

(c) Fair Value Estimation

The fair values of the SGRF Options was determined using a binomial option pricing model. The fair value of the convertible note has been calculated using a probability-weighted payout approach on the basis that it is currently highly probable that the convertible note will be converted at the £0.50 conversion price. The fair value movement of both the SGRF Options and the convertible note has been recognised in the Statement of Profit or Loss. Both fair value measurements are Level 2 valuation techniques in the fair value hierarchy.

The reporting date fair values of the convertible note and SGRF Options were estimated using the following assumptions:

Convertible note:

	30 June 2018
Conversion price	£0.500
Valuation date share price	£0.387
Number of shares (probability weighted average)	100,880,000
Fair value ($) per share	$0.689

SGRF Options:

30 June 2018	Tranche 1	Tranche 2	Tranche 3
Exercise price	£0.600	£0.750	£1.000
Valuation date share price	£0.387	£0.387	£0.387
Dividend yield(1)	-	-	
Volatility(2)	40%	40%	40%
Risk-free interest rate	1.02%	1.02%	1.02%
Number of SGRF Options	10,088,625	15,132,973	25,221,562
Estimated Expiry date	30 Nov 2022	31 May 2022	30 Nov 2023
Fair value (£)	£0.079	£0.064	£0.047
Fair value ($)	$0.141	$0.114	$0.084

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.

	2018 $000	2017 $000
13. ISSUED CAPITAL		
(a) Issued and Paid up Capital		
258,334,000 (2017: 254,512,000) fully paid ordinary shares	**169,633**	168,051

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

Date	Details	Thousands of Shares	$000
1 Jul 17	**Opening Balance**	**254,512**	**168,051**
3 Nov 17	Issue of shares to consultant as part of their fee	22	17
18 May 18	Issue of shares on exercise of £0.25 Incentive Options	150	68
29 Jun 18	Issue of shares on exercise of £0.15 Incentive Options	3,500	941
29 Jun 18	Issue of shares on exercise of £0.30 Incentive Options	150	79
30 Jun 18	Transfer from share-based payments reserve	-	479
Jul 17 to Jun 18	Share issue costs	-	(2)
30 Jun 18	**Closing Balance**	**258,334**	**169,633**
1 Jul 16	**Opening Balance**	**198,323**	**129,515**
29 Jul 16	Issue of shares on conversion of performance rights	2,345	-
28 Sep 16	Issue of shares to consultant as part of their fee	40	30
9 Nov 16	Placement (Tranche 1)	35,712	25,941
16 Dec 16	Placement (Tranche 2)	17,870	13,757
23 Dec 16	Issue of shares on exercise of £0.15 Incentive Options	100	25
23 Dec 16	Issue of shares on exercise of £0.20 Incentive Options	100	33
26 May 17	Issue of shares to consultant as part of their fee	22	17
Jul 16 to Jun 17	Transfer from share-based payments reserve	-	950
Jul 16 to Jun 17	Share issue costs	-	(2,217)
30 Jun 17	**Closing Balance**	**254,512**	**168,051**

(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.

13. ISSUED CAPITAL (Continued)

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

(ii) *Reports and Notices*

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

(iii) *Voting*

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

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

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

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

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

(v) *Unmarketable Parcels*

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

(vi) *Changes to the Constitution*

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

(vii) *Listing Rules*

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

14. RESERVES

	Note	2018 $000	2017 $000
Share-based payments reserve	14(b)	**2,803**	2,791
Foreign currency translation reserve		**(1,254)**	(2,684)
		1,549	107

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

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

Date	Details	Number of Thousand Incentive Options	Number of Thousand Performance Rights	$000
1 Jul 17	**Opening Balance**	**7,500**	**8,610**	**2,791**
10 Jan 18	Grant of Performance Rights	-	36	-
5 Apr 18	Cancellation of Performance Rights	-	(400)	(212)
18 May 18	Exercise of £0.25 Incentive Options	(150)	-	(36)
29 Jun 18	Exercise of £0.30 Incentive Options	(3,500)	-	(411)
29 Jun 18	Exercise of £0.15 Incentive Options	(150)	-	(32)
30 Jun 18	Expiry of £0.40 Incentive Options	(200)	-	(37)
Jul 17 to Jun 18	Share-based payments expense	-	-	740
30 Jun 18	**Closing Balance**	**3,500**	**8,246**	**2,803**

Date	Details	Thousands of Incentive Options	Thousands of Performance Rights	$000
1 Jul 16	**Opening Balance**	**7,700**	**10,555**	**2,768**
29 Jul 16	Conversion of Performance Rights	-	(2,345)	(927)
23 Dec 16	Exercise of £0.15 Incentive Options	(100)	-	(12)
23 Dec 16	Exercise of £0.20 Incentive Options	(100)	-	(12)
25 May 17	Grant of Performance Rights	-	400	-
Jul 16 to Jun 17	Adjustment for Performance Rights forfeited	-	-	(224)
Jul 16 to Jun 17	Share-based payments expense	-	-	1,197
30 Jun 17	**Closing Balance**	**7,500**	**8,610**	**2,791**

15. PARENT ENTITY INFORMATION

	2018 $000	2017 $000
Current assets	**100,797**	19,808
Total assets	**116,014**	35,060
Current liabilities	**655**	1,175
Total liabilities	**75,464**	1,175
Net Assets	**40,550**	33,885
Issued Capital	**169,633**	168,051
Reserves	**2,803**	2,791
Accumulated losses	**(131,886)**	(136,957)
Total equity	**40,550**	33,885
Profit/(Loss) of the parent entity	**5,034**	(29,260)
Total comprehensive Profit/(Loss) of the parent entity	**5,034**	(29,260)

The Parent Company had no guarantees, commitments or contingencies at 30 June 2018 other than as disclosed elsewhere in this report.

16. RELATED PARTY DISCLOSURES

(a) Subsidiaries

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

Name of Controlled Entity	Place of Incorporation	Equity Interest 2018 %	Equity Interest 2017 %
Berkeley Exploration Ltd	UK	100	100
Berkeley Minera Espana S.L.U	Spain	100	100
Berkeley Exploration Espana S.L.U	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 17.

(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.

17. 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
Deepankar Panigrahi	Non-Executive Director (appointed 30 November 2017)
Nigel Jones	Non-Executive Director
Adam Parker	Non-Executive Director
Robert Behets	Non-Executive Director
Current KMP	
Francisco Bellón	Chief Operating Officer
Sean Wade	Chief Commercial Officer (appointed 1 May 2018)
Dylan Browne	Company Secretary
Former KMP	
Javier Colilla	Chief Administrations Officer (ceased as KMP 1 July 2017)
Paul Thomson	Chief Financial Officer (resigned 5 April 2018)
Hugo Schumann	Chief Commercial Officer (ceased as KMP 1 January 2018)

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 2017 to 30 June 2018.

(b) Key Management Personnel Compensation

	2018 $000	2017 $000
Short-term benefits	**(1,788)**	(2,404)
Post-employment benefits	**(30)**	(49)
Share-based payments	**(304)**	(1,009)
	(2,122)	(3,462)

18. SHARE-BASED PAYMENTS

(a) Recognised Share-Based Payment Expense

	2018 $000	2017 $000
Net expense arising from equity-settled share-based payment transactions (incentive securities)	**(528)**	(973)
Consultancy service costs settled by equity-settled share-based payment transactions (shares)	**(17)**	(47)
Total share-based payments recognised during the year	**(545)**	(1,020)

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

No Incentive Options were granted as share-based payments during the last two years

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

18. SHARE-BASED PAYMENTS (Continued)

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

Options	2018 Thousands	2018 WAEP	2017 Thousands	2017 WAEP
Outstanding at beginning of year	**7,500**	**$0.390**	7,700	$0.379
Granted during the year	**-**	**-**	-	-
Exercised during the year	**(3,800)**	**$0.328**	(200)	$0.359
Expired during the year	**(200)**	**$0.821**	-	-
Outstanding at end of year	**3,500**	**$0.411**	7,500	$0.390

The outstanding balance of Incentive Options as at 30 June 2018 is represented by:

- 3,500,000 Incentive Options exercisable at £0.20 on or before 30 June 2019.

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

Rights 2018	Number	Grant Date	Issue Date	Expiry Date	Exercise Price	Fair Value $
Series						
Series 1	18,000	10 Jan 18	10 Jan 18	31 Dec 18	-	0.970
Series 2	18,000	10 Jan 18	10 Jan 18	31 Dec 19	-	0.970

Rights 2017	Number	Grant Date	Issue Date	Expiry Date	Exercise Price	Fair Value $
Series						
Series 1	100,000	25 May 17	25 May 17	31 Mar 19	-	0.810
Series 2	300,000	25 May 17	25 May 17	31 Dec 19	-	0.810

Performance Rights	2018 Thousands	2018 WAEP	2017 Thousands	2017 WAEP
Outstanding at beginning of year	**8,610**	**-**	10,555	-
Granted during the year	**36**	**-**	400	-
Expired during the year	**-**	**-**	-	-
Forfeited during the year	**(400)**	**-**	-	-
Converted during the year	**-**	**-**	(2,345)	-
Outstanding at end of year	**8,246**	**-**	8,610	-

The outstanding balance of Performance Rights as at 30 June 2018 is represented by:

- 3,603,000 Performance Rights expiring on 31 December 2018; and
- 4,643,000 Performance Rights expiring on 31 December 2019.

(c) Weighted Average Remaining Contractual Life

At 30 June 2018, the weighted average remaining contractual life for Incentive Options on issue that had been granted as share-based payments was 1.00 year (2017: 1.03 years) and of Performance Rights issued as share-based payments was 1.07 years (2017: 2.08 years).

(d) Range of Exercise Prices

At 30 June 2018, the range of exercise prices for Incentive Options on issue that had been granted as share-based payments was £0.20 (2017: £0.15 to £0.40). Performance Rights have no exercise price.

(e) Weighted Average Fair Value

The weighted average fair value of Performance Rights granted as share-based payments during the year ended 30 June 2018 was $0.970 (2017: $0.810).

(f) Option and Performance Rights Pricing Model

The fair value of the equity-settled share Incentive Options granted is estimated as at the date of grant using the Binomial option valuation model taking into account the terms and conditions upon which the Options and Performance Rights were granted. The fair value of the equity-settled share Performance Rights granted is estimated as at the date of grant with reference to the share price on that date.

No Incentive Options were granted as share-based payments in the financial years ended 30 June 2018 and 30 June 2017.

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

Rights 2018 Inputs	Series 1	Series 2
Exercise price (A$)	-	-
Grant date share price (A$)	0.970	0.970
Dividend yield[(1)]	-	-
Volatility[(2)]	-	-
Risk-free interest rate	-	-
Grant date	10 Jan 18	10 Jan 18
Milestone date	31 Dec 18	31 Dec 18
Expiry date	31 Dec 18	31 Dec 19
Expected life of rights[(3)] (years)	0.97	1.97
Fair value at grant date	0.970	0.970

Rights 2017 Inputs	Series 1	Series 2
Exercise price (A$)	-	-
Grant date share price (A$)	0.810	0.810
Dividend yield[(1)]	-	-
Volatility[(2)]	-	-
Risk-free interest rate	-	-
Grant date	25 May 17	25 May 17
Milestone date	31 Mar 18	31 Dec 18
Expiry date	31 Mar 19	31 Mar 19
Expected life of rights[(3)] (years)	1.75	2.50
Fair value at grant date	0.810	0.810

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.

18. SHARE-BASED PAYMENTS (Continued)

(g) Terms and conditions of Performance Rights

The unlisted 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 2018 each vest separately on completion of the each of the two milestones:
  - **Project Construction Milestone** means completion of approximately 25% of the project development phase, as per the project development schedule and budget approved by the Board in accordance with the Definitive Feasibility Study before 31 December 2018.
  - **Production Milestone** means achievement of first uranium production before 31 December 2018 (expiry 31 December 2019).
- 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.

	2018 $	2017 $
19. REMUNERATION OF AUDITORS		
Amounts received or due and receivable by Ernst & Young Australia for:		
- an audit or review of the financial reports of the Company and any other entity in the Consolidated Group	**31,330**	28,240
- preparation of income tax return	**40,025**	23,527
Amounts received or due and receivable by related practices of Ernst & Young for:		
- an audit or review of the financial reports of the Company	**44,465**	32,151
- other services in relation to the Company	**78,450**	57,281
Other auditors for:		
- an audit or review of the financial reports	**9,211**	9,347
Total Auditors Remuneration	**203,481**	150,546

20. SEGMENT INFORMATION

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

The corporate and administrative functions based in Australia are considered incidental to Consolidated Entity's uranium exploration activities in Spain. The Groups revenues are all earned in Australia.

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

	2018 $000	2017 $000
United Kingdom	**119**	154
Spain	**20,144**	17,750
	20,263	17,904

21. EARNINGS PER SHARE

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

	2018 $000	2017 $000
Net loss used in calculating basic and diluted earnings per share	**(4,748)**	(16,050)

(a) Weighted Average Number of Shares

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

	Thousands of Shares 2018	Thousands of Shares 2017
Weighted average number of ordinary shares used in calculating basic earnings per share	**254,565**	233,164
Weighted average number of ordinary shares to be issued upon conversion of convertible note	**58,870**	-
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	**313,435**	233,164

Notes:

(1) At 30 June 2018, 3,500,000 Incentive Options, 8,246,000 Performance Rights and 50,443,000 (which represent 62,189,000 potential ordinary shares) were considered not dilutive as they would decrease the loss per share for the year ended 30 June 2018.

(b) Conversions, Calls, Subscriptions or Issues after 30 June 2018

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.

22. STATEMENT OF CASH FLOWS

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

	2018 $000	2017 $000
Net loss before income tax expense	**(4,748)**	(16,050)
Adjustment for income and expense items		
Depreciation	**278**	188
Share-based payments expense	**545**	1,020
Other non-cash expenses/(gain)	**(15,439)**	-
Cost to issue convertible note	**2,697**	-
Foreign exchange movement	**2,027**	(228)
Changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	**(539)**	(708)
Increase/(decrease) in trade and other payables	**(4,299)**	3,577
(Increase)/decrease in other financial assets	**-**	(40)
Net cash outflow from operating activities	**(19,478)**	(12,241)

(b) Reconciliation of Cash and Cash Equivalents

Cash at bank and on hand	**15,184**	34,815
Bank short term deposits	**85,751**	-
	100,935	34,815

(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 2018

An amount of $17,000 was recognised as a share-based payment for the issue of shares to consultants as part of their annual fees. Please refer to Note 18(a).

30 June 2017

An amount of $47,000 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 18(a).

23. 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:

	2018 $000	2017 $000
Current Assets		
Cash and cash equivalents	**100,935**	34,815
Trade and other receivables	**1,849**	1,478
	102,784	36,293
Non-current Assets		
Other financial assets	**527**	160
	527	160
	103,311	36,453

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 are expected to be collected in full and the Group has no history of credit losses.

As at 30 June 2018, trade and other receivables comprise GST/VAT receivable, accrued interest and other miscellaneous receivables. Where possible the Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

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

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At 30 June 2018 and 2017, the Group has sufficient liquid assets to meet its financial obligations.

23. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk (Continued)

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

	≤ 6 months $000	6 - 12 months $000	1 - 5 years $000	≥ 5 years $000	Total $000
2018					
Financial Liabilities					
Trade and other payables	**909**	**-**	**-**	**-**	**909**
	909	**-**	**-**	**-**	**909**
2017					
Financial Liabilities					
Trade and other payables	5,208	-	-	-	5,208
	5,208	-	-	-	5,208

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to cash and cash equivalents 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 and payables are non-interest bearing.

At balance date, the variable interest rate exposure of the Group's was:

	2018 $000	2017 $000
Interest-bearing Financial Instruments		
Cash at bank and on hand	**15,184**	34,815
Bank short term deposits	**85,751**	-
	100,935	34,815

The Group's cash at bank and on hand and short term deposits had a weighted average floating interest rate at year end of 2.11% (2017: 0.85%).

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 2017.

	Profit or Loss		Other Comprehensive Income	
	1% Increase $000	1% Decrease $000	1% Increase $000	1% Decrease $000
2018				
Group				
Cash and cash equivalents	**1,009**	**(1,009)**	**-**	**-**
2017				
Group				
Cash and cash equivalents	348	(348)	-	-

(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 is also exposed to foreign currency risk on the Euro, Sterling and US Dollar cash and cash equivalents that it holds.

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.U and Berkeley Exploration Espana, S.L.U. and to the Euro and Sterling cash and cash equivalents that the Group holds. This sensitivity analysis is prepared as at balance date.

A 10% strengthening/weakening of the Australian dollar against the Euro at 30 June 2018 would have increased/(decreased) the net financial assets of the Spanish controlled entities by A$169,000/(A$169,000) (2017: A$124,000/(A$124,000).

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.

A 10% strengthening/weakening of the Australian dollar against the Euro at 30 June 2018 would have increased/(decreased) the cash and cash equivalents and profit or loss of the Group by A$1,000/(A$1,000) (2017: A$1,331,000 /(1,331,000)).

A 10% strengthening/weakening of the Australian dollar against the Sterling at 30 June 2018 would have increased/(decreased) the cash and cash equivalents and profit or loss of the Group by A$859,000/(A$859,000) (2017: A$1,132,000 /(1,132,000)).

A 10% strengthening/weakening of the Australian dollar against the US Dollar at 30 June 2018 would have increased/(decreased) the cash and cash equivalents and profit or loss of the Group by A$8,575,000/(A$8,575,000) (2017:nil).

The above analysis assumes that all other variables, in particular interest rates, remain constant. The analysis for 2017 has been performed on the same basis.

(f) 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.

23. FINANCIAL INSTRUMENTS (Continued)

(g) Capital Management

The Group defines its Capital as total equity of the Group, being $46,780,000 as at 30 June 2018 (2017: $48,467,000). The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while financing the development of its project through primarily equity-based financing. 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.

(h) 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.

(i) Equity Price Risk

The Group is exposed to equity securities price risk. This arises from the convertible note and SGRF Options held by the Group and classified in the Statement of Financial Position as financial liabilities through profit and loss, refer to Note 12.

Equity price sensitivity

A sensitivity of 10% has been selected as this is considered reasonable given the recent trading of the Company’s shares. The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. This analysis assumes that all other variables remain constant.

	Profit or loss		Other Comprehensive Income	
	10% increase $000	10% decrease $000	20% increase $000	20% decrease $000
2018				
Group				
Convertible note	6,955	(6,955)	-	-
SGRF Options	**526**	**(526)**	-	-
2017				
Group				
Convertible note	-	-	-	-
SGRF Options	-	-	-	-

24. CONTINGENT LIABILITIES

Other than the production fee arrangement with ENUSA disclosed in Note 7, the Group had no contingent liabilities at 30 June 2018 (2017: Nil).

25. COMMITMENTS

During the financial year, management has identified the following material commitments for the Group:

	Payable within 1 year $000	Payable after 1 year and less than 5 years $000	Total $000
2018			
Operating Commitments	**451**	**362**	**813**
2017			
Operating Commitments	623	719	1,342

Operating commitments include contracts for the provision of serviced offices and minimum operational supply agreements. The disclosed amounts are based on the current terms of agreements and based on current levels of operating activities. Agreements entered into by the Group generally provide early termination clauses for the cancellation of agreements allowing the Group to modify the ongoing level of expenditure to an amount significantly less than the disclosed commitments above.

26. SUBSEQUENT EVENTS

(i) On 9 July 2018, the Company announced that a capital cost review initiated by the Company has identified a number of opportunities to reduce the capital expenditure to bring the Salamanca mine into production with potential savings of €9 million (based on the FEED estimate in July 2017) which will be taken forward to detailed engineering; and

(ii) On 18 July 2018, the Company became Spain's only listed mining company following the admission of its shares to the Madrid, Barcelona, Bilboa and Valencia Stock Exchanges.

Other than as outlined above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2018 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2018, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2018, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2018, 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 2018 and of its performance for the year ended on that date; and

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

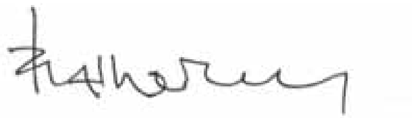
(iii) complying with International Financial Reporting Standards; and

(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) To the best of the Directors' knowledge, the Directors' report includes a fair review of the development and performance of the business and the financial position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

(3) 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 2018.

On behalf of the Board.



PAUL ATHERLEY
Managing Director and CEO

28 September 2018

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Building a better working world

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 2018, 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

Ernst & Young

T S Hammond
Partner
28 September 2018

TH:CT:BKY:008

Building a better working world

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

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

Opinion

We have audited the financial report of Berkeley Energia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

TH:CT:BKY:007

Building a better working world

1. Accounting for convertible notes

Why significant	How our audit addressed the KAM
During the year the Group issued a convertible note which has been classified as a financial liability through profit and loss. The details of the convertible note, including the assumptions adopted in its valuation, are disclosed in Note 12. The accounting treatment for convertible notes is complex and requires the exercise of judgement in determining the classification of the host contract as debt or equity and in valuing the financial liability. Due to the complexity of the accounting treatment, and the related estimation uncertainty, this was considered a key audit matter.	We evaluated the Group's accounting treatment of the convertible note. In obtaining sufficient audit evidence, we: ▸ Reviewed management's assessment of the applicable accounting treatment for the convertible note ▸ Inspected the terms of the convertible note, including the terms of conversion ▸ Assessed the methodologies, inputs and assumptions used by the Group in determining the fair value of the financial liability. In doing so we involved our own valuation specialists ▸ Considered the adequacy of the Group's disclosures in respect of the convertible note, including the fair value measurement of the financial liability.

2. Exploration and evaluation expenditure assets

Why significant	How our audit addressed the KAM
As disclosed in Note 7, as at 30 June 2018 the Group held exploration and evaluation expenditure assets of $8.203 million. The carrying value of exploration and evaluation expenditure assets are assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation assets may exceed their recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgements including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year, the Group determined that there had been no indicators of impairment.	In performing our procedures, we: ▸ Considered the Group's right to explore in the relevant exploration area, which included obtaining and assessing supporting documentation such as license agreements and correspondence with relevant government agencies ▸ Considered the Group's intention to carry out further exploration and evaluation activity in the relevant exploration area, which included an assessment of the Group's cash flow forecast model and discussions with senior management as to the intentions and strategy of the Group ▸ Assessed recent exploration and evaluation activity in the relevant licence area to determine if there are any negative indicators that would suggest a potential impairment of the asset ▸ Considered whether the exploration activities within each area of interest have reached a stage where the determination of commercially viable resource estimates could be made ▸ Assessed the adequacy of the disclosure included in the financial report.

TH:CT:BKY:007

Building a better working world

3. Share-based payments

Why significant	How our audit addressed the KAM
As disclosed in Note 18, in the current year the Group granted share-based payment awards in the form of performance rights and options. The awards vest subject to the achievement of vesting conditions. In determining the share-based payments expense, the Group uses assumptions in respect of the achievement of future non-market performance conditions. Due to the complexity and judgemental estimates used in determining the valuation of the share-based payments and vesting period, we considered the Group's calculation of the share-based payments expense to be a key audit matter.	For awards granted or vesting during the year, in performing our procedures, we: ▸ Assessed the assumptions used in the fair value calculation including the share price of the underlying equity, grant date and other key assumptions ▸ Assessed the vesting period assumptions and probability of achievement ▸ Assessed the adequacy of the disclosure included in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

TH:CT:BKY:007

Building a better working world

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 22 of the directors' report for the year ended 30 June 2018

In our opinion, the Remuneration Report of Berkeley Energia Limited for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

Ernst & Young

Ernst & Young

T S Hammond
Partner
Perth
28 September 2018

TH:CT:BKY:007

Berkeley Energia Limited and the entities it controls believe corporate governance is important for the Company in conducting its business activities.

The Board of Berkeley has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company. These documents are available in the Corporate Governance section of the Company's website, www.berkeleyenergia.com. These documents are reviewed annually to address any changes in governance practices and the law.

The Company's Corporate Governance Statement 2018, which explains how Berkeley complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd Edition' in relation to the year ended 30 June 2018, is available in the Corporate Governance section of the Company's website, www.berkeleyenergia.com and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

In addition to the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd Edition' the Board has taken into account a number of important factors in determining its corporate governance policies and procedures, including the:

- relatively simple operations of the Company, which is focused on developing a single uranium property;
- cost verses benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board's experience in the relevant sector;
- organisational reporting structure and limited number of reporting functions, operational divisions and employees;
- relatively simple financial affairs with limited complexity and quantum;
- relatively moderate market capitalisation and economic value of the entity; and
- direct shareholder feedback.

1. MINERAL RESOURCES

Berkeley's Mineral Resource Statement as at 30 June 2018 and 30 June 2017 is grouped by deposit, all of which form part of the Salamanca mine in Spain as follows:

		2018			2017		
Deposit Name	**Resource Category**	**Tonnes (Mt)**	**U_3O_8 (ppm)**	**U_3O_8 (Mlbs)**	**Tonnes (Mt)**	**U_3O_8 (ppm)**	**U_3O_8 (Mlbs)**
Retortillo	Measured	4.1	498	4.5	4.1	498	4.5
	Indicated	11.3	395	9.8	11.3	395	9.8
	Inferred	0.2	368	0.2	0.2	368	0.2
	Total	***15.6***	***422***	***14.5***	***15.6***	***422***	***14.5***
Zona 7	Measured	5.2	674	7.8	5.2	674	7.8
	Indicated	10.5	761	17.6	10.5	761	17.6
	Inferred	6.0	364	4.8	6.0	364	4.8
	Total	***21.7***	***631***	***30.2***	***21.7***	***631***	***30.2***
Las Carbas	Inferred	0.6	443	0.6	0.6	443	0.6
Cristina	Inferred	0.8	460	0.8	0.8	460	0.8
Caridad	Inferred	0.4	382	0.4	0.4	382	0.4
Villares	Inferred	0.7	672	1.1	0.7	672	1.1
Villares North	Inferred	0.3	388	0.2	0.3	388	0.2
Total Retortillo Satellites	*Inferred*	***2.8***	***492***	***3.0***	***2.8***	***492***	***3.0***
Alameda	Indicated	20.0	455	20.1	20.0	455	20.1
	Inferred	0.7	657	1.0	0.7	657	1.0
	Total	***20.7***	***462***	***21.1***	***20.7***	***462***	***21.1***
Villar	Inferred	5.0	446	4.9	5.0	446	4.9
Alameda Nth Zone 2	Inferred	1.2	472	1.3	1.2	472	1.3
Alameda Nth Zone 19	Inferred	1.1	492	1.2	1.1	492	1.2
Alameda Nth Zone 21	Inferred	1.8	531	2.1	1.8	531	2.1
Total Alameda Satellites	***Inferred***	***9.1***	***472***	***9.5***	***9.1***	***472***	***9.5***
Gambuta	***Inferred***	***12.7***	***394***	***11.1***	***12.7***	***394***	***11.1***
Salamanca mine	***Measured***	***9.3***	***597***	***12.3***	***9.3***	***597***	***12.3***
	Indicated	***41.8***	***516***	***47.5***	***41.8***	***516***	***47.5***
	Inferred	***31.5***	***425***	***29.5***	***31.5***	***395***	***29.6***
	Total	***82.6***	***490***	***89.3***	***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

As a result of the annual review of the Company's Mineral Resources, there has been no material change to the Mineral Resources reported for the Salamanca mine.

2. ORE RESERVES

The Company's Ore Reserves as at 30 June 2018 and 30 June 2017, reported in accordance with the 2012 Edition of the JORC Code: for the Salamanca mine are as follows:

		2018			2017		
Deposit Name	**Reserve Category**	**Tonnes (Mt)**	**U_3O_8 (ppm)**	**U_3O_8 (Mlbs)**	**Tonnes (Mt)**	**U_3O_8 (ppm)**	**U_3O_8 (Mlbs)**
Retortillo	Proved	4.0	397	3.5	4.0	397	3.5
	Probable	11.9	329	7.9	11.9	329	7.9
	Total	***15.9***	***325***	***11.4***	***15.9***	***325***	***11.4***
Zona 7	Proved	6.5	542	7.8	6.5	542	7.8
	Probable	11.9	624	16.4	11.9	624	16.4
	Total	**18.4**	**595**	**24.2**	**18.4**	**595**	**24.2**
Alameda	Proved	0.0	0.0	0.0	0.0	0.0	0.0
	Probable	26.4	327	19.0	26.4	327	19.0
	Total	***26.4***	***327***	***19.0***	***26.4***	***327***	***19.0***
	Proved	***10.5***	***487***	***11.3***	***10.5***	***487***	***11.3***
Total	***Probable***	***50.3***	***391***	***43.4***	***50.3***	***391***	***43.4***
	Total (*)	***60.7***	***408***	***54.6***	***60.7***	***408***	***54.6***

As a result of the annual review of the Company's Ore Reserves, there has been no change to the Ore Reserves reported for the Salamanca mine.

3. GOVERNANCE OF MINERAL RESOURCES AND ORE RESERVES

The Company engages external consultants and Competent Persons (as determined pursuant to the JORC Code (2004 and 2012 editions)) to prepare and estimate the Mineral Resources and Ore Reserves. Management and the Board review these estimates and underlying assumptions for reasonableness and accuracy. The results of the Mineral Resource and Ore Reserve estimates are then reported in accordance with the requirements of the JORC Code and other applicable rules (including ASX Listing Rules).

Where material changes occur during the year to the project, including the project's size, title, exploration results or other technical information, previous Mineral Resource and Ore Reserve estimates and market disclosures are reviewed for completeness.

The Company generally reviews its Mineral Resources and Ore Reserves as at 30 June each year. Where a material change has occurred in the assumptions or data used in previously reported Mineral Resources or Ore Reserves, then where possible a revised Mineral Resource or Ore Reserve estimate will be prepared as part of the annual review process. However, there are circumstance where this may not be possible (e.g. an ongoing drilling programme), in which case a revised Mineral Resource or Ore Reserve estimate will be prepared and reported as soon as practicable as was the case in 2018.

4. COMPETENT PERSONS STATEMENT

The information in this report that relates to Ore Reserve Estimates for the Salamanca mine, is based on, and fairly represents, information compiled or reviewed by Mr Francisco Bellon, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Bellon is the Chief Operating Officer for Berkeley and a holder of shares, options and performance rights in Berkeley. Mr Bellon has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bellon consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears..

The information in this report that relates to the Mineral Resources for the Salamanca mine (which includes Retortillo, Zona 7, the Retortillo Satellites, Alameda, Alameda Satellites and the Gambuta deposits) is based on, and fairly represents, information compiled or reviewed by Mr Enrique Martínez, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Martínez is Berkeley's Geology Manager and a holder of shares and performance rights in Berkeley. Mr Martínez 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'. Mr Martínez consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Berkeley's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Berkley, which could cause actual results to differ materially from such statements. Berkeley makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

The shareholder information set out below was applicable as at 31 August 2018.

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

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

Ordinary Shares

Name	No of Ordinary Shares Held	Percentage of Issued Shares
Computershare Clearing Pty Ltd <CCNL DI A/C>	93,604,393	36.22
HSBC Custody Nominees (Australia) Limited	25,426,444	9.84
Merrill Lynch (Australia) Nominees Pty Limited	22,923,310	8.87
J P Morgan Nominees Australia Limited	17,781,689	6.88
Pershing Australia Nominees Pty Ltd <Argonaut Account>	17,328,757	6.71
BNP Paribas Nominees Pty Ltd <BPSSMDRDRENT4BANCBERKEL DRP>	12,131,012	4.69
Arredo Pty Ltd	9,300,000	3.60
Citicorp Nominees Pty Limited	8,392,810	3.25
Zero Nominees Pty Ltd	5,000,000	1.93
UBS Nominees Pty Ltd	3,863,046	1.49
North Asia Metals Ltd	2,650,000	1.03
Mr Robert Arthur Behets + Mrs Kristina Jane Behets <Behets Family A/C>	2,000,000	0.77
Josselin Pty Ltd	1,000,000	0.39
BNP Paribas Noms Pty Ltd <DRP>	942,130	0.36
Warbont Nominees Pty Ltd <UNPAID ENTREPOT A/C>	844,468	0.33
Mr Francisco De Paula Bellon Del Rosal	750,000	0.29
Mr Gerardo Javier Colilla Peletero	750,000	0.29
CS Third Nominees Pty Limited <HSBC CUST NOM AU Ltd 13 A/C>	745,487	0.29
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	703,211	0.27
Brispot Nominees Pty Ltd <House Head Nominee A/C>	617,048	0.24
Total Top 20	**226,753,805**	**87.75**
Others	31,661,615	12.25
Total Ordinary Shares on Issue	**258,415,420**	**100.00**

2. DISTRIBUTION OF EQUITY SECURITIES

An analysis of numbers of holders of listed securities by size of holding as at 31 August 2018 is listed below:

	Ordinary Shares	
Distribution	Number of Shareholders	Number of Shares
1 – 1,000	349	98,877
1,001 – 5,000	455	1,313,801
5,001 – 10,000	219	1,742,685
10,001 – 100,000	372	12,392,597
100,001 – and over	88	242,867,460
Totals	**1,483**	**258,415,420**

There were 268 holders of less than a marketable parcel of ordinary shares.

3. SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder notices have been received from the following at 31 August 2018:

Substantial Shareholder	Number of Shares
FIL Limited	24,802,375
Resource Capital Fund	24,570,700
Anglo Pacific Group PLC	17,607,159
River and Mercantile Asset Management LLP	13,147,298

4. UNQUOTED SECURITIES

The names of the security holders holding 20% or more of an unlisted class of security at 31 August 2018, other than those securities issued or acquired under an employee incentive scheme, are listed below:

Holder	£0.20 Unlisted Options Expiring 30-Jun-19	£0.60 SGRF Options Expiring 30-Nov-22	£0.75 SGRF Options Expiring 30-May-23	£1.00 SGRF Options Expiring 30-Nov-23	£0.50 Convertible Note Expiring 30-Nov-2021
Mr Javier Colilla	750,000	-	-	-	-
Mr Francisco Bellon	750,000	-	-	-	-
North Asia Metals Ltd	2,000,000	-	-	-	-
Singapore Mining Acquisition Co Pte Ltd	-	10,088,625	15,132,937	25,221,562	100,880,000
Others (holding less than 20%)	-	-	-	-	-
Total	**3,500,000**	**10,088,625**	**15,132,937**	**25,221,562**	**100,880,000**
Total holders	3	1	1	1	1

5. VOTING RIGHTS

See Note 13(c) of the Notes to the Financial Statements.

6. ON-MARKET BUY BACK

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

7. EXPLORATION INTERESTS

As at 31 August 2018, the Company has an interest in the following tenements:

Location	Tenement Name	Percentage Interest	Status
Spain			
Salamanca	D.S.R Salamanca 28 (Alameda)	100%	Granted
	D.S.R Salamanca 29 (Villar)	100%	Granted
	E.C. Retortillo-Santidad	100%	Granted
	E.C. Lucero	100%	Pending
	I.P. Abedules	100%	Granted
	I.P. Abetos	100%	Granted
	I.P. Alcornoques	100%	Granted
	I.P. Alisos	100%	Granted
	I.P. Bardal	100%	Granted
	I.P. Barquilla	100%	Granted
	I.P. Berzosa	100%	Granted
	I.P. Campillo	100%	Granted
	I.P. Castaños 2	100%	Granted
	I.P. Ciervo	100%	Granted
	I.P. Dehesa	100%	Granted
	I.P. El Águlia	100%	Granted
	I.P. Espinera	100%	Granted
	I.P.Halcón	100%	Granted
	I.P. Horcajada	100%	Granted
	I.P. Mailleras	100%	Granted
	I.P. Mimbre	100%	Granted
	I.P. Oñoro	100%	Granted
	I.P. Pedreras	100%	Granted
	I.P. El Vaqueril	100%	Pending
	I.P. Calixto	100%	Pending
	I.P. Melibea	100%	Pending
	I.P. Clerecía	100%	Pending
	I.P. Clavero	100%	Pending
	I.P. Conchas	100%	Pending
	I.P. Lis	100%	Pending
	E.P. Herradura	100%	Pending
Cáceres	I.P. Almendro	100%	Granted
	I.P. Ibor	100%	Granted
	I.P. Olmos	100%	Granted
Badajoz	I.P. Don Benito Este	100%	Granted
	I.P. Don Benito Oeste	100%	Granted

LONDON

UNIT 1B, PRINCES HOUSE,
38 JERMYN STREET
LONDON SW1Y 6DN
TELEPHONE +44 207 478 3900
FACSIMILE +44 207 434 4450

SPAIN

BERKELEY MINERA ESPAÑA,
CARRETERA SA - 322, KM 30
37495 RETORTILLO
SALAMANCA, SPAIN
TELEPHONE +34 923 193 903

PERTH

LEVEL 9, BGC CENTER
28 THE ESPLANADE
PERTH WA 6000
TELEPHONE +61 8 9322 6322
FACSIMILE +61 8 9322 6558

www.berkeleyenergia.com / info@berkeleyenergia.com