

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

**Name of entity**

Berkeley Energia Limited

**ABN / ARBN**

40 052 468 569

**Financial year ended:**

30 June 2019

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: <https://www.berkeleyenergia.com/about-us/corporate-and-governance/>

The Corporate Governance Statement is accurate and up to date as at 30 June 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 26 September 2019

Name of Director or Secretary authorising lodgement: Dylan Browne

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<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at <a href="https://www.berkeleyenergija.com/about-us/corporate-and-governance/">https://www.berkeleyenergija.com/about-us/corporate-and-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://www.berkeleyenergia.com/about-us/corporate-and-governance/">https://www.berkeleyenergia.com/about-us/corporate-and-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at 2019 Annual Report on page 12 to available at <a href="https://www.berkeleyenergia.com/investor-relations/company-reports/">https://www.berkeleyenergia.com/investor-relations/company-reports/</a></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="https://www.berkeleyenergija.com/about-us/corporate-and-governance/">https://www.berkeleyenergija.com/about-us/corporate-and-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="https://www.berkeleyenergia.com/about-us/corporate-and-governance/">https://www.berkeleyenergia.com/about-us/corporate-and-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at <a href="http://berkeleyenergia.com">http://berkeleyenergia.com</a> and <a href="https://www.berkeleyenergia.com/about-us/corporate-and-governance/">https://www.berkeleyenergia.com/about-us/corporate-and-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://www.berkeleyenergia.com/about-us/corporate-and-governance/">https://www.berkeleyenergia.com/about-us/corporate-and-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at 2019 Annual Report on page 12 to available at <a href="https://www.berkeleyenergia.com/investor-relations/company-reports/">https://www.berkeleyenergia.com/investor-relations/company-reports/</a></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> in our 2019 Annual Report at pages 11 to 19 available at <a href="https://www.berkeleyenergia.com/investor-relations/company-reports/">https://www.berkeleyenergia.com/investor-relations/company-reports/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="https://www.berkeleyenergia.com/about-us/corporate-and-governance/">https://www.berkeleyenergia.com/about-us/corporate-and-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## CORPORATE GOVERNANCE STATEMENT 2019

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

The Board has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by Berkeley.

These documents are available in the Corporate Governance section of the Company's website, [www.berkeleyenergia.com/corporate-governance/](http://www.berkeleyenergia.com/corporate-governance/). These documents are reviewed at least annually to address any changes in governance practices and the law.

This Corporate Governance Statement (**Statement**), which is current as at 30 June 2019 and has been approved by the Company's Board, explains how Berkeley complies with the ASX Corporate Governance Council's '*Corporate Governance Principles and Recommendations – 3rd Edition*' (**ASX Principles or Recommendations**), which were published on 27 March 2014 in relation to the year ended 30 June 2019.

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 following:

- 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 resources sector;
- organisational reporting structure and 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.

**Principle 1: Lay solid foundations for management and oversight**

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
1.1 Role of Board and management	<p>The Board has established a clear distinction between the functions and responsibilities reserved for the Board and those delegated to management, which are set out in the Company's Board Charter.</p> <p>A copy of the Board Charter is available in the Corporate Governance section of the Company's website, <a href="http://www.berkeleyenergia.com/about-us/corporate-and-governance/">www.berkeleyenergia.com/about-us/corporate-and-governance/</a>.</p>	Yes
1.2 Information regarding election and re-election of director candidates	<p>Berkeley carefully considers the character, experience, education and skillset of potential candidates for appointment to the Board and conducts appropriate background checks to verify the sustainability of the candidate, prior to their election.</p> <p>Based on the Company's level of knowledge of the potential candidate, these may include checks as to the person's character, experience, education, criminal record, and bankruptcy history. However, the Company did not comply with this recommendation during the 2019 year to the extent that it did not conduct criminal record checks for those Directors appointed during the year as the candidates were already well known to the Board.</p> <p>The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a director, is disclosed in the relevant notice of meeting provided to shareholders. Director profiles are also included in the Director's Report of the Company's Annual Report.</p>	No
1.3 Written contracts of appointment	<p>In addition to being set out in the Board Charter, the roles and responsibilities of Directors are also formalised in the letter of appointment which each Director receives and commits to on their appointment.</p> <p>The letters of appointment specify the term of appointment, time commitment envisages, expectations in relations to committee work or any other special duties attaching to the position, reporting lines, remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, insurance and indemnity entitlements and details of the Company's key governance policies.</p> <p>Each Key Management Personnel ("KMP") enters into a service contract which sets out the material terms of employment or consultancy, including a description of position and duties, reporting lines, remuneration arrangement and termination rights and entitlements. Contract details of KMP are summarised in the Remuneration Report of the Company's Annual Report.</p>	Yes
1.4 Company Secretary	<p>The Company Secretary reports directly to the Board through the Chairman on Board matters and all Directors have access to the Company Secretary.</p> <p>In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications are set out in the Directors' Report of the Company's Annual Report.</p>	Yes
1.5 Diversity	<p>The Company has not adopted a Diversity Policy, nor has it established measurable objectives for achieving gender diversity for the 2019 year.</p> <p>The Company remains committed to diversity and inclusion throughout all levels of the business. The Company recognizes that an inclusive and diverse workforce leads to increased productivity and better relationships with the communities in which we operate. The Company has been championing gender diversity over the past</p>	No

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
	<p>decade, as evidenced by the high number of women employed throughout the various levels of the Company.</p> <p>The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. However, the Board considers that the Company is not currently of a size to warrant the time and cost of adopting a Diversity Policy and setting measurable objectives for achieving gender diversity. The Board will review its position and may adopt a Diversity Policy and develop measurable objectives when the Company's operations increase substantially.</p> <p>At the date of this Statement, the Company has no female directors, 1 senior female executive and had 6 female employees (including full-time equivalent employees).</p>	
1.6 Board reviews	<p>The Board has not conducted a formal performance evaluation. The size of the Board is relatively small and the Board believes that a formal performance evaluation is not required at this point in time and that that no efficiencies or other benefits would be gained from a formal performance evaluation.</p> <p>The Chairman is responsible for evaluating the Board and informal discussions are undertaken during the course of the year. As the Company grows and develops, it will continue to consider the efficiencies and merits of a more formal performance evaluation of the Board, its committees and individual Directors.</p>	No
1.7 Management reviews	<p>Each year the Board evaluates the performance of its KMP against Key Performance Indicators ("KPI's") as set by the Board.</p> <p>Details of the process followed are set out in the Remuneration Report of the Company's Annual Report. For the 2019 year, the Board undertook a performance evaluation of its KMP in accordance with that process.</p>	Yes

**Principle 2: Structure the Board to add value**

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
2.1 Nominations committee	<p>During the current financial year, the Board established a separate Remuneration and Nomination Committee.</p> <p>The Board has adopted a The Remuneration and Nomination Committee Charter, so that the Remuneration and Nomination Committee can function appropriately. The Remuneration and Nomination Committee Charter sets out the processes the Remuneration and Nomination Committee employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> <p>The Board and Remuneration and Nomination Committee regularly reviews whether it has the appropriate balance of skills, knowledge, and experience suitable for a Company in the junior resources sector.</p> <p>The Remuneration and Nomination Committee Charter is reviewed annually and is available in the Corporate Governance section of the Company's website <a href="http://www.berkeleyenergia.com/about-us/corporate-and-governance/">www.berkeleyenergia.com/about-us/corporate-and-governance/</a>.</p>	Yes

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?																																				
2.2 Board skills matrix	<p>The Board seeks a mix of skills suitable for a development resources company. A summary of the key board skills matrix is set out below. Further details regarding the skills and experience of each Director are included in the Directors' Report of the Company's Annual Report.</p> <table border="1" data-bbox="411 427 1177 607"> <thead> <tr> <th>Director/ Skills</th> <th>Capital Markets</th> <th>Resources Industry</th> <th>Mining/ Geology</th> <th>Finance/ Accounting</th> <th>Listed Company</th> </tr> </thead> <tbody> <tr> <td>Ian Middlemas</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Deepankar Panigrahi</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Nigel Jones</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td>✓</td> </tr> <tr> <td>Adam Parker</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Robert Behets</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> </tbody> </table>	Director/ Skills	Capital Markets	Resources Industry	Mining/ Geology	Finance/ Accounting	Listed Company	Ian Middlemas	✓	✓		✓	✓	Deepankar Panigrahi	✓	✓		✓	✓	Nigel Jones	✓	✓			✓	Adam Parker	✓	✓		✓	✓	Robert Behets	✓	✓	✓		✓	Yes
Director/ Skills	Capital Markets	Resources Industry	Mining/ Geology	Finance/ Accounting	Listed Company																																	
Ian Middlemas	✓	✓		✓	✓																																	
Deepankar Panigrahi	✓	✓		✓	✓																																	
Nigel Jones	✓	✓			✓																																	
Adam Parker	✓	✓		✓	✓																																	
Robert Behets	✓	✓	✓		✓																																	
2.3 Disclose independence and length of service	<p>The Board has assessed the independence status of its Directors and has determined the following as at 30 June 2019:</p> <table border="1" data-bbox="411 701 1177 891"> <thead> <tr> <th>Name</th> <th>Position</th> <th>Independent?</th> <th>Length of Service</th> </tr> </thead> <tbody> <tr> <td>Ian Middlemas</td> <td>Non-Executive Chairman</td> <td>Yes</td> <td>7.2 years</td> </tr> <tr> <td>Deepankar Panigrahi</td> <td>Non-Executive Director</td> <td>No</td> <td>1.6 years</td> </tr> <tr> <td>Nigel Jones</td> <td>Non-Executive Director</td> <td>Yes</td> <td>2.1 years</td> </tr> <tr> <td>Adam Parker</td> <td>Non-Executive Director</td> <td>Yes</td> <td>2.1 years</td> </tr> <tr> <td>Robert Behets</td> <td>Non-Executive Director</td> <td>Yes</td> <td>7.2 years</td> </tr> </tbody> </table> <p>Further details regarding the Directors are set out in the Directors' Report of the Company's Annual Report.</p>	Name	Position	Independent?	Length of Service	Ian Middlemas	Non-Executive Chairman	Yes	7.2 years	Deepankar Panigrahi	Non-Executive Director	No	1.6 years	Nigel Jones	Non-Executive Director	Yes	2.1 years	Adam Parker	Non-Executive Director	Yes	2.1 years	Robert Behets	Non-Executive Director	Yes	7.2 years	Yes												
Name	Position	Independent?	Length of Service																																			
Ian Middlemas	Non-Executive Chairman	Yes	7.2 years																																			
Deepankar Panigrahi	Non-Executive Director	No	1.6 years																																			
Nigel Jones	Non-Executive Director	Yes	2.1 years																																			
Adam Parker	Non-Executive Director	Yes	2.1 years																																			
Robert Behets	Non-Executive Director	Yes	7.2 years																																			
2.4 Majority of directors independent	<p>A majority of Directors of the Company are independent. As disclosed against Recommendation 2.3, Messrs Middlemas, Jones, Parker and Behets are considered independent.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional independent non-executive Directors.</p> <p>The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.</p> <p>Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.</p>	Yes																																				
2.5 Chair independent	<p>The Chairman, Mr Ian Middlemas, is an independent non-executive Director. The role of the Managing Director is performed by another Director. Further details regarding the Directors are set out in the Directors' Report of the Company's Annual Report.</p>	Yes																																				
2.6 Induction and professional development	<p>The Board does not have a formal program for inducting new Directors and providing appropriate professional development opportunities.</p> <p>The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has been appointed because they already possess the relevant industry experience and specific expertise relevant to the Company's business and level of operations and given the activities of the Company and their own experience do not require the Company, given its size, to provide professional development opportunities.</p> <p>However, each new Director receives and commits to a letter of appointment which includes details of the Company's key policies and processes and continuing professional development is expected of all Directors.</p> <p>Directors are also entitled to seek independent professional advice at the expense of the Company (subject to approval) as may be reasonably required to assist them to carry out your duties as a Director.</p>	No																																				

### Principle 3: Act ethically and responsibly

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
3.1 Code of conduct	The Board has established a Code of Conduct for its Directors, executives and employees, a copy of which is available in the Corporate Governance section of the Company's website, <a href="http://www.berkeleyenergia.com/about-us/corporate-and-governance/">www.berkeleyenergia.com/about-us/corporate-and-governance/</a> .	Yes

### Principle 4: Safeguard integrity in corporate reporting

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
4.1 Audit committee	<p>The Board has decided not to form a separate Audit Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Audit Committee. The Board has adopted an Audit Committee Charter, however the Board as a whole performs the function of the Audit Committee.</p> <p>The Company: (a) currently only has 6 Directors of which 4 are non-executive Directors; (b) has relatively simple operations and currently only undertakes mineral exploration and development activities; (c) has relatively simple financial affairs with limited complexity and quantum; and (d) has a relatively moderate market capitalisation and economic value. As a result, the Board as a whole considers that it is more efficient and effective for the corporate reporting process to not have an Audit Committee at this stage. The Board monitors this position as the Company's circumstances change.</p> <p>The Board as whole determines when to seek the appointment or removal of the external auditor, and subject to any statutory requirements, the Board will also seek rotation of the audit partner on an as required basis.</p> <p>Further details on the integrity measures implemented for the corporate reporting function are provided in the Audit Committee Charter which is available in the Corporate Governance section of the Company's website at <a href="http://www.berkeleyenergia.com">www.berkeleyenergia.com</a>.</p>	Yes
4.2 CEO and CFO certification of financial statements	<p>In respect to full year (annual report) and half year financial reports, the Board has obtained a written declaration from the CEO (or equivalent) and CFO (or equivalent) that, in their opinion, the financial records of the Company have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion is formed on the basis of a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting and material business risks.</p> <p>However, the Board does not receive declarations from the CEO (or equivalent) and CFO (or equivalent) in respect to the quarterly cash flow reports prepared and lodged in compliance with Appendix 5B of the Listing Rules, as these quarterly cash flow reports are considered by the Board:</p> <ul style="list-style-type: none"> <li>not to be a financial report or interim financial report as defined under Australian accounting standards; and/or</li> <li>not to be capable, as a standalone report, of giving a true and fair view of the financial position and performance of the Company, only its cash flows for the relevant reporting period.</li> </ul>	No

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
4.3 External auditor at AGM	<p>The Company has engaged a reputable and suitably qualified external auditor to perform the external audit function.</p> <p>At least one senior representatives of the auditor will attend the Annual General Meeting ("AGM") and be available to answer shareholder questions regarding the audit.</p>	Yes

#### Principle 5: Make timely and balanced disclosure

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
5.1 Disclosure and Communications Policy	<p>The Company has adopted a Continuous Disclosure Policy which sets out the processes and practices that ensure its compliance with the continuous disclosure requirements under applicable Listing Rules and applicable corporation law (including the Corporations Act).</p> <p>A copy of the Continuous Disclosure Policy is available in the Corporate Governance section of the Company's website, <a href="http://www.berkeleyenergia.com/about-us/corporate-and-governance/">www.berkeleyenergia.com/about-us/corporate-and-governance/</a>.</p>	Yes

#### Principle 6: Respect the rights of security holders

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
6.1 Information on website	<p>The Company keeps investors informed of its corporate governance, financial performance and prospects via its website.</p> <p>Investors can access copies of all announcements to the ASX, notices of meetings, annual reports and financial statements, investor presentations via the 'Investors' tab and can access general information regarding the Company and the structure of its business under the 'Projects' tab on the Company's website, <a href="http://www.berkeleyenergia.com">www.berkeleyenergia.com</a>.</p> <p>Investors can access information about the Company's corporate governance practices via the 'Corporate Governance' tab on the Company's website, <a href="http://www.berkeleyenergia.com">www.berkeleyenergia.com</a>, where all relevant corporate governance information can be accessed.</p>	Yes
6.2 Investor relations programs	<p>The Company conducts regular investor briefings, roadshows, site visits and attends regional and industry specific conferences in order to facilitate effective two way communication with investors and other financial market participants. Access to Directors and KMP is provided at these events, with separate one-on-one or group meetings offered whenever possible.</p> <p>The presentation material provided at these events is posted on the Company's website (<a href="http://www.berkeleyenergia.com">www.berkeleyenergia.com</a>), which also provides the opportunity for interested parties to join the mailing list to receive regular updates from the Company.</p>	Yes
6.3 Facilitate participation at meetings of security holders	<p>The Board encourages participation of Shareholders at its meetings of shareholders and Shareholders are provided with all notices of meeting prior to meetings, which are set at times and places to promote maximum attendance by Shareholders.</p> <p>Shareholders are always given the opportunity to ask questions of Directors and management, either during or after meetings. In addition,</p>	Yes

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
	the Company's auditor is also made available for questions at the Company's AGM.	
6.4 Facilitate electronic communications	<p>The Company welcomes electronic communication from its Shareholders via its publicised email address (info@berkeleyenergia.com) and the Company's website (www.berkeleyenergia.com) provides the opportunity for interested parties to join the mailing list to receive regular electronic updates from the Company.</p> <p>The Company's share registry also engages with Shareholders electronically and makes available a range of relevant forms on its website. Shareholders can register with the share registry to access their personal information and shareholdings via the internet.</p>	Yes

#### Principle 7: Recognise and manage risk

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
7.1 Risk committee	<p>The Board has decided not to form a separate Risk Committee. Due to the size and development phase of the Company, the Board believes that no efficiencies or other benefits would be gained by establishing a separate Risk Committee.</p> <p>The Board as a whole is ultimately responsible for identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage those risks.</p> <p>For further details of the responsibilities of the Board, the Chief Executive Officer, the Chief Risk Officer, and other management in the evaluation and continual improvement of the Company's risk management and internal control processes, refer to the Company's Risk Management Policy, which is available in the Corporate Governance section of the Company's website, www.berkeleyenergia.com.</p>	Yes
7.2 Annual risk review	<p>On at least an annual basis, the Board reviews its material business risks and how its material business risks are being managed.</p> <p>For the 2019 year, management provided to the Board the Company's Risk Register summarising the significance of each risk as well as actions taken by management to mitigate the risks. Management also provided to the Board a report on the effectiveness of the Company's management of its material business risks throughout the 2019 year.</p>	Yes
7.3 Internal audit	<p>The Board has not established an internal audit function at this time. The Board as a whole oversees the effectiveness of risk management and internal control processes.</p> <p>Refer to the Company's Risk Management Policy for responsibilities of the Board, the Chief Executive Officer, the Chief Risk Officer, and other management in the evaluation and continual improvement of the Company's risk management and internal control processes.</p> <p>A copy of the Risk Management Policy is available in the Corporate Governance section of the Company's website, www.berkeleyenergia.com/about-us/corporate-and-governance/.</p>	Yes
7.4 Sustainability risks	As discussed above, the Company identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Risk Management Policy, which is available	Yes

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
	<p>on in the Corporate Governance section of the Company's website, <a href="http://www.berkeleyenergia.com/about-us/corporate-and-governance/">www.berkeleyenergia.com/about-us/corporate-and-governance/</a>.</p> <p>The material risks faced by the Company that could have an effect on the Company's future prospects, include: (a) exploration and development risks; (b) fluctuations in commodity prices; (c) availability of further funding; (d) title risks; (e) Government regulations risks; and (f) global financial conditions.</p> <p>Further details of these risks and how the Company manages or intends to manage these risks are set out in the Directors' Report of the Company's Annual Report.</p>	

**Principle 8: Remunerate fairly and responsibly**

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
8.1 Remuneration committee	<p>During the current financial year, the Board established a separate Remuneration and Nomination Committee as the Board believes significant efficiencies and other benefits would be gained by establishing a separate Remuneration and Nomination Committee.</p> <p>The Board has adopted a Remuneration and Nomination Committee Charter so that the Remuneration and Nomination Committee can function appropriately. The Remuneration and Nomination Committee Charter sets out the processes the Remuneration and Nomination Committee and Board employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> <p>The Remuneration and Nomination Committee Charter is reviewed annually and is available in the Corporate Governance section of the Company's website <a href="http://www.berkeleyenergia.com/about-us/corporate-and-governance/">www.berkeleyenergia.com/about-us/corporate-and-governance/</a>.</p>	Yes
8.2 Disclosure of Executive and Non-Executive Director remuneration policy	<p>The Company seeks to attract and retain high performance Directors and Executive with appropriate skills, qualifications and experience to add value to the Company and fulfil the roles and responsibilities required. It reviews requirements of additional capabilities at least annually.</p> <p>Executive remuneration is to reflect performance and, accordingly, remuneration is structured with a fixed component and performance-based remuneration component. Non-Executive Directors are paid fixed fees for their services in accordance with the Company's Constitution. Fees paid are composite fee (covering all Board and Committee responsibilities) and any contributions by the Company to a fund for the purposes of superannuation benefits for a Director. No other retirement benefits schemes are in place in respect to Non-Executive Directors.</p> <p>Further details regarding the remuneration of the Executive and Non-Executive Directors are set in the Remuneration Report within the Annual Report.</p>	Yes
8.3 Policy on hedging equity incentive schemes	<p>The Company's Directors and Executives must not enter into any hedge arrangement in relation to any performance rights they may be granted or otherwise entitled to under an incentive scheme or plan, prior to exercising those rights or, once exercised, while the securities are subject to a transfer restriction.</p>	Yes

RECOMMENDATION	BERKELEY'S COMPLIANCE WITH RECOMMENDATIONS	RECOMMENDATION FOLLOWED IN FULL FOR WHOLE OF 2019 YEAR?
	Further details regarding the Company's hedging policy are set out in the Company's Securities Trading Policy which is available in the Corporate Governance section of the Company's website, <a href="http://www.berkeleyenergia.com/about-us/corporate-and-governance/">www.berkeleyenergia.com/about-us/corporate-and-governance/</a> .	

2019  
**ANNUAL REPORT /  
INFORME ANUAL**



# CORPORATE DIRECTORY | DIRECTORIO CORPORATIVO

## DIRECTORS

Mr Ian Middlemas	Chairman
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

## MADRID HEAD OFFICE

Calle Capitán Haya 1  
Planta 15. Edificio Eurocentro., 28020 Madrid, Spain

## PROJECT OFFICE

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

## REGISTERED OFFICE

Level 9, 28 The Esplanade, Perth WA 6000 Australia  
Telephone: +61 8 9322 6322  
Facsimile: +61 8 9322 6558  
London: +44 207 478 3900

## WEBSITE AND EMAIL

[www.berkeleyenergia.com](http://www.berkeleyenergia.com)

[info@berkeleyenergia.com](mailto:info@berkeleyenergia.com)

## AUDITOR

Spain  
Ernst & Young Espana

Australia  
Ernst and 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 Zealand 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

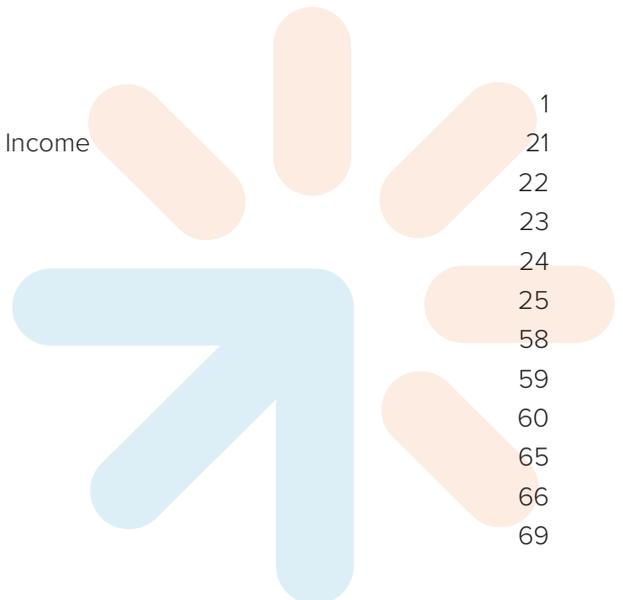
Spain  
Madrid, Barcelona, Bilbao and Valencia Stock Exchanges  
(Code: **BKY**)

United Kingdom  
London Stock Exchange – Main Board  
(LSE Code: **BKY**)

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

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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 2019 ('Consolidated Entity' or 'Group').

## **OPERATING AND FINANCIAL REVIEW**

### **Highlights**

Highlights for and subsequent to the year end include:

- **Strategy Change:**
  - The Company's primary focus continues to be on progressing the approvals required to commence construction of the Salamanca mine and bring it into production
  - The Company has now set up its head office in Madrid and will ultimately seek to recruit a suitably qualified Spanish National for the Managing Director and Chief Executive Officer ('CEO') role
  - Following on from the Company's successful listing on the Spanish Stock Exchanges in 2018, these initiatives are aimed at further enhancing the Company's strong engagement with its key stakeholders in Spain
- **Management Changes:**
  - Subsequent to the end of year, Mr Paul Atherley resigned as Managing Director and CEO to concentrate on his other investments in the resource sector
  - Mr Robert Behets, Non-Executive Director, has now assumed the role of Acting Managing Director on an interim basis and will be assisted in Spain by Mr Francisco Bellón, the Company's Chief Operations Officer
- **Exploration:**
  - The Company will continue to advance the recently announced battery and Electric Vehicle ('EV') metals exploration strategy which includes an initial six-hole drill programme in licence areas indicated to be prospective for the battery and EV metals lithium, cobalt, tin, tungsten and rare earth elements
- **Permitting Update:**
  - The Company continues to await the Express Resolution on the award of the Urbanism Licence from the local municipality
  - The Company has provided the Nuclear Safety Council ('NSC') with all requested documentation and continues to await their recommendation report, the timing of which remains uncertain
  - Subsequent to the end of the year, the Company withdrew its legal challenge against the 2019 appointments to the Board of the NSC
- **Uranium Market:**
  - The uranium price weakened during the year due to uncertainty surrounding President Trump's decision on the Section 232 Petition
  - However subsequent to the year, a decision by the President to decline issuing quotas for US domestic uranium production was announced. The decision is expected to contribute to improved market conditions moving forward, as US utilities, in particular, continue their recontracting cycle

## **OPERATING AND FINANCIAL REVIEW (Continued)**

### **Operations**

#### ***Strategy and Management Changes***

Subsequent to the year, the Company advised that Mr Paul Atherley had resigned as Managing Director and CEO of the Company to concentrate on his other investments in the resource sector.

Mr Atherley had been Managing Director and CEO of Berkeley Energia since June 2015 and had been instrumental in its growth and development.

The Company's focus continues to be on progressing the approvals required to commence construction of the Salamanca mine and bring it into production, as well as advancing the recently announced battery and EV metals exploration strategy.

The Company has now established a head office in Madrid and will ultimately seek to recruit a suitably qualified Spanish National for the Managing Director and CEO role.

Following on from the Company's successful listing on the Spanish Stock Exchanges in 2018, these initiatives are aimed at further enhancing the Company's strong engagement with its key stakeholders in Spain.

While the recruitment process for a suitable candidate for the Managing Director and CEO position takes place, Mr Robert Behets, Non-Executive Director, has assumed the role of Acting Managing Director and will be assisted in Spain by Mr Francisco Bellón, the Company's Chief Operations Officer.

#### ***Drill programme for critical battery and EV metals***

During the year, the Company announced the commencement of its initial (six hole) drill programme to test for critical battery and EV metals across its large licence holding in Western Spain.

The targets have been generated through detailed exploration for a wide range of minerals over the past two years and further refined by the use of an innovative Ionic Leach programme.

The results from this drill programme will be fed back into the database and more refined targets interpreted which will allow for further analysis of the mineral and metal endowment across the Company's large licence holding in this mineral rich province.

The Company was awarded with three new licenses during the year covering an area of 266 km<sup>2</sup>, located 40 km from Retortillo.

Previous geochemical analysis using ionic leach methodology has shown the licence areas to be prospective for the battery and EV metals lithium, cobalt, tin, tungsten and rare earth elements.

The Company was also more recently awarded an additional 31 km<sup>2</sup> licence which includes some former lithium and titanium operations and is adjacent to one of the areas being drilled in the current programme.

#### ***Permitting Update***

The Company has resubmitted its Urbanism Licence application to the local municipality following the resolution of two outstanding items and continues to await the Express Resolution on the award of the licence.

The Company has provided the Nuclear Safety Council with all requested documentation and continues to await their recommendation report, the timing of which remains uncertain.

Subsequent to the end of the year, the Company withdrew its legal challenge against the 2019 appointments to the Board of the NSC.



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 has been re-awarded both certificates following a consultation process with the agency. The Company holds the relevant status for best practices on Health and Safety at the Salamanca mine.

### ***Uranium market***

The uranium price weakened during the year due to uncertainty surrounding President Trump's decision on the Section 232 Petition.

However subsequent to the end of the year, a decision by the President to decline issuing quotas for US domestic uranium production was announced.

The decision is expected to contribute to improved market conditions moving forward, as US utilities, in particular, continue their recontracting cycle.

The US Department of Commerce confirmed in July 2018 that it would initiate a Section 232 trade investigation into uranium imports which was the result of a petition in mid-January 2018 by Energy Fuels and Ur-Energy (the only 2 substantive US uranium producers) and came after a prolonged period of low prices.

The petitioners are seeking a mandated requirement that US utilities purchase a minimum 25% of their requirements from US producers. The petition is now under review by the US nuclear fuel cycle working group which will make a recommendation to the President by mid-October 2019.

Some market commentators expect that we are likely to see tax credits offered to utilities for buying domestic uranium and there may be some mandate to buy a certain amount. The resolution of this issue is expected to end a period of uncertainty and provide a boost for uranium prices

The Company has 2.75 million pounds of U<sub>3</sub>O<sub>8</sub> under contract for the first six years, with a further 1.25 million pounds of optional volume, at an average price above US\$42.

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.

### ***Commitment to the community***

The Company has invested more than €80 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 commences.

### ***Balance Sheet***

The Company is in a strong financial position with A\$97 million in cash.

## **OPERATING AND FINANCIAL REVIEW (Continued)**

### **Results of Operations**

The Consolidated Entity's net profit after tax for the year ended 30 June 2019 was \$34,431,000 (2018: loss \$4,748,000). Significant items contributing to the year end profit and substantial differences from the previous year (loss) include the following:

- (i) Exploration and evaluation expenses of \$8,541,000 (2018: \$12,040,000), 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.
- (ii) Business development expenses of \$1,295,000 (2018: \$1,989,000) which includes the Groups investor relations activities including but not limited to public relations costs, marketing and digital marketing, broker fees, travel costs, conference fees, business development consultant fees and stock exchange admission fees.
- (iii) Non-cash share-based payment gain of \$1,918,000 (2018: expense of \$545,000) 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 gain during the year is due to 3.6 million unvested performance rights expiring 31 December 2018 with the previous expense recognised being reversed.
- (iv) Non-cash fair value gain of \$38,120,000 (2018: \$15,881,000) 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. With the share price decreasing substantially during the year, the size of financial liability has decreased materially resulting in a large fair value gain for the period. 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 in the prior year to issue the convertible note and associated securities of \$2,697,000.

- (v) Recognition of interest income of \$2,340,000 (2018: \$1,034,000). The large increase in interest income reflects the larger cash position of the Group during the year.

### **Financial Position**

At 30 June 2019, the Group is in an extremely good financial position with cash reserves of \$96,587,000.

The Group had net assets of \$79,648,000 at 30 June 2019 (2018: \$46,780,000), an increase of 70% compared with the previous year. This increase is consistent with the reduction in the value of the financial liabilities at fair value through profit and loss (the convertible note and SGRF Options) offset by a lower cash balance.

### **Business Strategies and Prospects for Future Financial Years**

Berkeley's strategic objective is to create long-term shareholder value with the Company's primary focus continuing to be on progressing the approvals required to commence construction of the Salamanca mine and bring it into production.

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



- Continue to progress permitting and maintain the required licences to develop and operate at the Salamanca mine
- Advance the Salamanca mine through the development phase into the main construction phase and then into production;
- 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;
- 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;
- Assess other mine development opportunities at the Salamanca mine; and
- Advance the Company's complementary battery and EV metals exploration program.

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.

During the year the Company resubmitted its Urbanism Licence application to the local municipality following the resolution of two outstanding items and continues to await the Express Resolution on the award of the licence. However, the timing of the award of the Urbanism Licence continues to remain uncertain and is outside of the Company's control. During the year the Company appealed against the procedure for the appointment of the new Nuclear Safety Council board, however subsequent to the end of the year, this appeal has been withdrawn.

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.

Further, The Company's exploration and any future mining activities are dependent upon the maintenance and renewal from time to time of the appropriate title interests, licences, concessions, leases, claims, permits, environmental decisions, planning consents and other regulatory consents which may be withdrawn or made subject to new limitations. The maintaining or obtaining of renewals or attainment and grant of title interests often depends on the Company being successful in obtaining and maintaining required statutory approvals for its proposed activities. The Company closely monitors the status of its mining permits and licences and works closely with the relevant Government departments in Spain to ensure the various licences are maintained and renewed when required. However, there is no assurance that such title interests, licenses, concessions, leases, claims, permits, decisions or consents will not be revoked, significantly altered or not renewed to the detriment of the Company or that the renewals and new applications will be successful;

## **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 (resigned effective 11 July 2019)
Mr Deepankar Panigrahi	Non-Executive Director
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 2018 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 (November 2017 – present), Apollo Minerals Limited (July 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), Cradle Resources Limited (May 2016 – July 2019) and Syntonic Limited (April 2010 – June 2017).

### **Robert Behets**

*Acting Managing Director, Non-Executive Director*

*Qualifications – B.Sc (Hons), FAusIMM, MAIG*

Mr Behets is a geologist with over 30 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).

### **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*

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 has spent two decades at Rio Tinto, where he currently holds the position of Managing Director of the Simandou iron ore project. In previous roles he was Global Head of Business Development, Managing Director of Rio Tinto Marine, Head of Investor Relations and Marketing Director, Uranium.

From 2017 to 2019, Mr Jones held the role of Head of Private Side Capital Markets at ICBC Standard Bank, leading the investment banking division of the global markets subsidiary of Industrial and Commercial Bank of China, the world's largest bank by assets.

Mr Jones holds a Master's degree in Modern Languages from Oxford University and is an alumnus of London Business School where he completed its Corporate Finance Programme.

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.

**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, Bilbao 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

### 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\$1 billion. Mr Bellón joined Berkeley Energia Limited in May 2011.

### 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 2019 (2018: nil).

## EARNINGS PER SHARE

	2019 Cents	2018 Cents
Basic and diluted earnings/(loss) per share	9.58	(1.51)

## 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 23 January 2019, the Company announced that it had received a number of favourable assessments from various regulatory bodies including two from the Nuclear Safety Council relating to the pre-operational Surveillance Plan for Radiological and Environmental Affections and the pre-operational Surveillance Plan for the Control of the Underground Water.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- (i) On 11 July 2019, Mr Paul Atherley resigned as Managing Director and CEO to concentrate on his other investments in the resource sector.

Other than as outlined above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2019 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2019, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2019, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2019, 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 completion of audits established by the regulations, with the most recent audit successfully completed in July 2017. In addition, the Company obtained the certification on the OHSAS 18001 in September 2018, which set up the criteria for the health and safety management system at the Salamanca project site.

## INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF BERKELEY

Current Directors	Interest in Securities at the Date of this Report		
	Ordinary Shares <sup>(i)</sup>	Incentive Options <sup>(ii)</sup>	Performance Rights <sup>(iii)</sup>
Ian Middlemas	9,300,000	-	-
Deepankar Panigrahi	-	-	-
Nigel Jones	35,000	-	-
Adam Parker	200,000	-	-
Robert Behets	2,490,000	-	240,000

### 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 one Ordinary Share in the capital of the Company  
(iii) 'Performance Rights' means the right to subscribe to one 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 unlisted securities have been issued over unissued Ordinary Shares of the Company:

- 4,943,000 Performance Rights expiring on 31 December 2019;
- 100,000 Performance Rights expiring on 30 June 2020;
- 100,000 Performance Rights expiring on 31 December 2020;
- 600,000 Performance Rights expiring on 31 December 2021;
- 60,000 share rights expiring 1 May 2020;
- 70,000 share rights expiring 1 May 2021;
- A 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 securities 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 2019, no Ordinary Shares were issued as a result of the exercise or conversion of Performance Rights, the Convertible Note or SGRF Options. 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 or conversion of the Performance Rights, SGRF Options 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 2019, 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.

Current Directors	Board Meetings		Remuneration and Nomination Committee <sup>(i)</sup>	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Ian Middlemas	3	3	-	-
Paul Atherley	3	3	-	-
Deepankar Panigrahi	3	3	-	-
Nigel Jones	3	3	-	-
Adam Parker	3	2	-	-
Robert Behets	3	2	-	-

### Notes

- (i) Remuneration and Nomination Committee meetings are generally 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 (resigned effective 11 July 2019)
Mr Deepankar Panigrahi	Non-Executive Director
Mr Nigel Jones	Non-Executive Director
Mr Adam Parker	Non-Executive Director
Mr Robert Behets	Non-Executive Director

## **REMUNERATION REPORT (AUDITED) (Continued)**

### **Details of Key Management Personnel (Continued)**

#### **Current KMP**

Mr Francisco Bellón	Chief Operations Officer
Mr Dylan Browne	Company Secretary
Mr Sean Wade	Chief Commercial Officer

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 2018 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**

The Board has established 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 reviews the performance of executives and KMP and sets 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 KPI's, the Board determines the amount, if any, of the annual cash bonus to be paid to each KMP. During the financial year no bonus (2018: nil) is to be paid, or is payable to KMP. If or when the approvals for the Urbanism Licence and the Construction Authorisation for the plant are forthcoming, the Remcom and Board will make an assessment on if any bonuses are to be paid to KMP.

### *Performance Based Remuneration – Long Term Incentive*

The Group has adopted a LTIP comprising the grant of Performance Rights and/or Incentive Options to reward KMP and key employees and contractors for long-term performance of the Company. Shareholders approved the renewal of the Performance Rights Plan ("**Plan**") in July 2015.

To achieve its corporate objectives, the Group needs to attract, incentivise, and retain its key employees and contractors. The Board believes that grants of Performance Rights and/or Incentive Options to KMP will provide a useful tool to underpin the Group's employment and engagement strategy.

#### (i) Performance Rights

The Group has a Plan that provides for the issuance of unlisted 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.

The Plan enables the Group to: (a) recruit, incentivise and retain KMP and other key employees and contractors needed to achieve the Group's business objectives; (b) link the reward of key staff with the achievement of strategic goals and the long-term performance of the Group; (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 Group 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, 1,100,000 Performance Rights were granted to KMP and key employees. No Performance Rights were converted during the financial year. 3,603,000 Performance Rights previously granted to KMP were forfeited during the financial year.

#### (ii) Incentive Options

The Group has also chosen to issue Incentive Options to some KMP and key employees and contractors as part of their remuneration and incentive arrangements in order to attract and retain their and to provide an incentive linked to the performance of the Company.

The Board's policy is to grant Incentive Options to KMP with exercise prices at or above market share price (at the time of agreement). As such, Incentive Options granted to KMP are generally only of benefit if the KMP perform to the level whereby the value of the Group increases sufficiently to warrant exercising the Unlisted Options granted.

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

The Company prohibits executives entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

## **REMUNERATION REPORT (AUDITED) (Continued)**

### *Performance Based Remuneration – Long Term Incentive*

#### (ii) Incentive Options (Continued)

During the financial year, no Incentive Options were granted to KMP and key employees. No Incentive Options were exercised by KMP during the financial year. 3,500,000 Incentive Options previously granted to KMP lapsed during the financial year.

### **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 (2018: \$50,000) (including post-employment benefits).

Fees for Non-Executive Directors' were set at \$45,000 per annum (2018: \$45,000) (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 2019 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.

### 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:

2019	Short-term Benefits			Non-Cash		Total	Percentage of Total Remuneration that Consists of Options/Rights %	Percentage Performance Related %
	Salary & Fees \$	Cash Incentive \$	Other Non-Cash Benefits (2) \$	Post Employment Benefits (3) \$	Share-Based Payments (1) \$			
<b>Directors</b>								
Ian Middlemas	45,600	-	-	4,332	-	49,932	-	-
Paul Atherley	497,372	-	-	-	(620,817)	(123,445)	-	-
Deepankar Panigrahi	45,000	-	-	-	-	45,000	-	-
Nigel Jones	45,000	-	-	-	-	45,000	-	-
Adam Parker	60,000	-	-	-	-	60,000	-	-
Robert Behets	41,096	-	-	3,904	(135,262)	(90,262)	-	-
<b>Current KMP</b>								
Francisco Bellón	308,134	-	50,442	23,446	(410,483)	(28,461)	-	-
Sean Wade	328,909	-	-	-	309,821	638,730	48.6	48.6
Dylan Browne	106,775	-	-	9,500	(139,774)	(23,499)	-	-
<b>Total</b>	<b>1,477,886</b>	<b>-</b>	<b>50,442</b>	<b>41,182</b>	<b>(996,515)</b>	<b>572,995</b>		

### Notes

- (1) 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. During the financial year, 3,603,000 Performance Rights previously granted to KMP were forfeited and as such the previously recognised expense was reversed.
- (2) Other Non-Cash Benefits includes payments made for housing and car benefits.
- (3) Contains statutory superannuation and social security.

**DIRECTORS' REPORT**  
**30 JUNE 2019**  
(Continued)

**REMUNERATION REPORT (AUDITED) (Continued)**

**KMP Remuneration (Continued)**

2018	Short-term Benefits			Non-Cash		Total \$	Percentage of Total Remunerat- ion that Consists of Options/ Rights %	Percent- age Perform- ance Related %
	Salary & Fees \$	Cash Incentive \$	Other Non- Cash Benefits (7) \$	Post Employ- ment Benefits \$	Share- Based Payments (6) \$			
<b>Directors</b>								
Ian Middlemas	45,600	-	-	4,332	-	49,932	-	-
Paul Atherley	478,981	-	-	-	156,483	635,464	24.62	24.62
Deepankar Panigrahi <sup>(1)</sup>	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
<b>Current KMP</b>								
Francisco Bellón	299,978	-	47,244	21,398	94,461	463,081	20.40	20.40
Sean Wade <sup>(2)</sup>	48,922	-	-	-	-	48,922	-	-
Dylan Browne	125,088	-	-	-	36,935	162,023	22.80	22.80
<b>Former KMP</b>								
Paul Thomson <sup>(3)</sup>	252,633 <sup>(4)</sup>	-	-	-	(24,980)	227,653	-	-
Hugo Schumann <sup>(5)</sup>	318,732 <sup>(5)</sup>	-	-	-	26,834	345,566	15.30	15.30
<b>Total</b>	<b>1,740,810</b>	<b>-</b>	<b>47,244</b>	<b>29,633</b>	<b>304,066</b>	<b>2,121,753</b>		

**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.

**Incentive Options and Performance Rights Granted to KMP**

Details of the value of Incentive Options and Performance Rights granted, exercised or lapsed for KMP of the Group during the year ended 30 June 2019 are as follows:

2019	No. of options & rights granted	No. of options & rights vested	No. of options & rights exercised/lapsed	Value of options & rights granted <sup>(1)</sup> \$	Value of options & rights exercised/lapsed <sup>(1)</sup> \$	Value of options & rights included in remuneration \$
<b>Directors</b>						
Paul Atherley	-	-	(3,850,000)	-	(974,500)	(620,817)
Robert Behets	-	-	(480,000)	-	(148,320)	(135,262)
<b>Other KMP</b>						
Francisco Bellón	-	-	(2,000,000)	-	(568,300)	(410,483)
Sean Wade	690,000	(60,000)	-	531,500	(51,000)	309,821
Dylan Browne	-	-	(360,000)	-	(169,200)	(139,774)

**Notes**

- (1) Values determined at the grant date per AASB 2. For details on the valuation of Incentive Options and Performance Rights, including models and assumptions used, please refer to Note 18 of the financial statements

Details of Incentive Options, Performance Rights and Share Rights granted by the Company to each KMP of the Group during the financial year are as follows:

2019	Options or Rights	Grant date	Expiry date	Vesting date	Exercise Price \$	Grant date fair value <sup>(1)</sup> \$	Number granted
<b>Other KMP</b>							
Sean Wade	Share rights	23 Mar 2018	1 May 2019	1 May 2019	-	0.850	60,000
	Share rights	23 Mar 2018	1 May 2020	1 May 2020	-	0.850	60,000
	Share rights	23 Mar 2018	1 May 2020	1 May 2020	-	0.850	70,000
	Rights <sup>(2)</sup>	10 Aug 2018	30 Jun 2020	-	-	0.740	100,000
	Rights <sup>(2)</sup>	10 Aug 2018	31 Dec 2020	-	-	0.740	100,000
	Rights <sup>(2)</sup>	10 Aug 2018	31 Dec 2021	-	-	0.740	300,000

**Notes**

- (1) For details on the valuation of Incentive Options and Performance Rights, including models and assumptions used, please refer to Note 18 of the financial statements.
- (2) Performance Rights were issued to (a) recruit, incentivise and retain the KMP to achieve the Group's business objectives; (b) link the reward of the KMP with the achievement of strategic goals and the long-term performance of the Group; (c) align the financial interest of the KMP with those of Shareholders; and (d) provide incentives to the KMP to focus on superior performance that creates Shareholder value.

**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 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.

**REMUNERATION REPORT (AUDITED) (Continued)**

**Employment Contracts with Directors and KMP (Continued)**

**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, has an employment letter dated 1 July 2018 confirming the terms and conditions of his appointment. Mr Browne's employment is terminable by each party giving the other party one's months written notice or by the Company providing payment in lieu of the one months' notice. In the event of serious misconduct, Mr Browne's employment may be terminated without notice. Mr Browne receives a salary of \$100,000 per annum plus the required statutory superannuation.

**Equity instruments held by Key Management Personnel**

**Incentive Options and Performance Rights holdings of KMP**

<b>2019</b>	<b>Held at 1 July 2018</b>	<b>Granted as Compen- sation</b>	<b>Vested securities exercised</b>	<b>Expired</b>	<b>Held at 30 June 2019</b>	<b>Vested and exerciseable at 30 June 2019</b>
<b>Directors</b>						
Ian Middlemas	-	-	-	-	-	-
Paul Atherley	3,850,000	-	-	(2,800,000)	1,050,000	-
Deepankar Panigrahi	-	-	-	-	-	-
Nigel Jones	-	-	-	-	-	-
Adam Parker	-	-	-	-	-	-
Robert Behets	480,000	-	-	(240,000)	240,000	-
<b>Other KMP</b>						
Francisco Bellón	2,000,000	-	-	(1,250,000)	750,000	-
Sean Wade	-	690,000	(60,000)	-	630,000	-
Dylan Browne	360,000	-	-	(180,000)	180,000	-



## Shareholdings of KMP

2019	Held at 1 July 2018	Granted as Compensation	Options exercised/Rights converted	On market purchase/(sale)	Held at 30 June 2019
<b>Directors</b>					
Ian Middlemas	9,300,000	-	-	-	9,300,000
Paul Atherley	3,369,000	-	-	(175,378) <sup>(1)</sup>	3,193,622
Deepankar Panigrahi	-	-	-	-	-
Nigel Jones	-	-	-	35,000	35,000
Adam Parker	200,000	-	-	-	200,000
Robert Behets	2,490,000	-	-	-	2,490,000
<b>Other KMP</b>					
Francisco Bellón	1,150,000	-	-	-	1,150,000
Sean Wade	-	-	60,000	-	60,000
Dylan Browne	-	-	-	-	-

**Notes**

(1) On market trade to meet personal liabilities following the cost (£300,000) to exercise 2,000,000 £0.15 Incentive Options at June 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, \$52,000 (2018: \$118,000) 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.

**DIRECTORS' REPORT**  
**30 JUNE 2019**  
(Continued)

**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

**ROBERT BEHETS**  
Director

25 September 2019

**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 2019



	Note	2019 \$000	2018 \$000
Revenue	2	2,340	1,034
Corporate and administration expenses		(1,928)	(1,588)
Exploration and evaluation expenses		(8,541)	(12,040)
Business development expenses		(1,278)	(1,989)
Share-based payment expenses	18	1,918	(545)
Listing expenses		-	(777)
Fair value movement on financial liabilities	3	38,120	15,881
Costs to issue convertible note		-	(2,697)
Foreign exchange movements		3,800	(2,027)
<b>Profit/(Loss) before income tax</b>		<b>34,431</b>	<b>(4,748)</b>
Income tax benefit/(expense)	5	-	-
<b>Profit/(Loss) after income tax</b>		<b>34,431</b>	<b>(4,748)</b>
<b>Other comprehensive income, net of income tax:</b>			
<i>Items that may be classified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		382	1,430
<b>Other comprehensive income, net of income tax</b>		<b>382</b>	<b>1,430</b>
<b>Total comprehensive profit/(loss) for the year attributable to Members of Berkeley Energia Limited</b>		<b>34,813</b>	<b>(3,318)</b>
Basic and diluted earnings/(loss) per share (cents per share)	21	9.58	(1.51)

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 2019

	Note	2019 \$000	2018 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	22	96,587	100,935
Trade and other receivables	6	1,661	1,849
<b>Total Current Assets</b>		<b>98,248</b>	102,784
<b>Non-current Assets</b>			
Exploration expenditure	7	8,274	8,203
Property, plant and equipment	8	12,858	11,534
Other financial assets	9	540	527
<b>Total Non-current Assets</b>		<b>21,672</b>	20,264
<b>TOTAL ASSETS</b>		<b>119,920</b>	123,048
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	1,952	909
Provisions	11	564	550
Convertible note liability	12	35,972	69,552
Option liability	12	1,784	5,257
<b>Total Current Liabilities</b>		<b>40,272</b>	76,268
<b>TOTAL LIABILITIES</b>		<b>40,272</b>	76,268
<b>NET ASSETS</b>		<b>79,648</b>	46,780
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	13	169,736	169,633
Reserves	14	(531)	1,549
Accumulated losses		(89,557)	(124,402)
<b>TOTAL EQUITY</b>		<b>79,648</b>	46,780

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 2019



	Issued Capital \$000	Share- Based Payments Reserve \$000	Foreign Currency Translation Reserve \$000	Accumulated Losses \$000	Total Equity \$000
<b>As at 1 July 2018</b>	<b>169,633</b>	<b>2,803</b>	<b>(1,254)</b>	<b>(124,402)</b>	<b>46,780</b>
<b>Total comprehensive loss for the period:</b>					
Net profit/(loss) for the year	-	-	-	34,431	34,431
<b>Other Comprehensive Income:</b>					
Exchange differences arising on translation of foreign operations	-	-	382	-	382
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>382</b>	<b>34,431</b>	<b>34,813</b>
Issue of ordinary shares	130	-	-	-	130
Share issue costs	(27)	-	-	-	(27)
Forfeiture of Performance Rights	-	(3,162)	-	-	(3,162)
Lapse of Incentive Options	-	(414)	-	414	-
Share-based payments expense	-	1,114	-	-	1,114
<b>As at 30 June 2019</b>	<b>169,736</b>	<b>341</b>	<b>(872)</b>	<b>(89,557)</b>	<b>79,648</b>
<b>As at 1 July 2017</b>	<b>168,051</b>	<b>2,791</b>	<b>(2,684)</b>	<b>(119,691)</b>	<b>48,467</b>
<b>Total comprehensive loss for the period:</b>					
Net loss for the year	-	-	-	(4,748)	(4,748)
<b>Other Comprehensive Income:</b>					
Exchange differences arising on translation of foreign operations	-	-	1,430	-	1,430
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>1,430</b>	<b>(4,748)</b>	<b>(3,318)</b>
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
<b>As at 30 June 2018</b>	<b>169,633</b>	<b>2,803</b>	<b>(1,254)</b>	<b>(124,402)</b>	<b>46,780</b>

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 2019

	Note	2019 \$000	2018 \$000
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(10,612)	(20,176)
Interest received		2,678	698
<b>Net cash outflow from operating activities</b>	22(a)	<b>(7,934)</b>	(19,478)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(1,254)	(1,461)
<b>Net cash outflow from investing activities</b>		<b>(1,254)</b>	(1,461)
<b>Cash flows from financing activities</b>			
Proceeds from issue of securities		-	1,088
Transaction costs from issue of securities		(27)	-
Proceeds from issue of convertible note and options	12	-	85,823
Transaction costs from issue of convertible note and options	12	-	(2,697)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(27)</b>	84,214
<b>Net (decrease)/increase in cash and cash equivalents held</b>		<b>(9,215)</b>	63,275
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>100,935</b>	34,815
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>4,867</b>	2,845
<b>Cash and cash equivalents at the end of the financial year</b>	22(b)	<b>96,587</b>	100,935

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 2019 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, Bilbao and Valencia Stock Exchanges (together the 'Spanish Stock Exchanges').

The financial report of the Company for the year ended 30 June 2019 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 International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

Since 1 July 2018, the Consolidated Entity has adopted all Accounting Standards and Interpretations effective from 1 July 2018. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year. The Consolidated Entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Consolidated Entity applied AASB 9 Financial Instruments ('AASB 9') for the first time from 1 July 2018. A discussion on the impact of the adoption of AASB 9 is included below.

Several other new and amended Accounting Standards and Interpretations applied for the first time from 1 July 2018. These did not have an impact on the consolidated financial statements of the Consolidated Entity and, hence, have not been disclosed.

Standard/Interpretation	Application date of standard	Application date for Group
AASB 16 Leases	1 January 2019	1 July 2019
Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019	1 July 2019
AASB 2017-7 Amendments – Long-term Interests in Associates and Joint Venture Amendments to IAS 28 and Illustrative Example – Long-term Interests in Associates and Joint Ventures	1 January 2019	1 July 2019
AASB 2018-1 Amendments – Annual Improvements 2015-2017 Cycle	1 January 2019	1 July 2019
AASB 2018-2 Amendments – Plan Amendment, Curtailment or Settlement (AASB 119)	1 January 2019	1 July 2019

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (b) Statement of Compliance (Continued)

#### AASB 16 Leases

AASB 16 will replace existing accounting requirements for leases under AASB 117 Leases. Under current requirements, leases are classified based on their nature as either finance leases which are recognised on the Statement of Financial Position, or operating leases, which are not recognised on the Statement of Financial Position.

Under AASB 16 Leases, the Company's accounting for operating leases as a lessee will result in the recognition of a right-of-use ('ROU') asset and an associated lease liability on the Statement of Financial Position. The lease liability represents the present value of future lease payments, with the exception of short-term and low value leases. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the ROU assets. There will also be additional disclosure requirements under the new standard.

Based on the Company's assessment to date, adoption of AASB 16 is expected to have an immaterial impact on the financial statements of the Company due to the minimal number, if any, of non-cancellable leases currently entered into by the Company which do not fall under a short-term or low value exception.

#### Transition

The Company will initially apply AASB 16 on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under AASB 117, the Company can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Company is assessing the potential impact of using these practical expedients.

Based on the Company's assessment to date, it is expected that the adoption of AASB 16 will have minimal impact if any on the financial statements of the Company.

### (c) Changes in Accounting Policies

AASB 9 replaces parts of AASB 139 bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The accounting policies have been updated to reflect the application of AASB 9 for the period from 1 July 2018.

The Consolidated Entity has applied AASB 9 retrospectively, with the initial application date being 1 July 2018. The cumulative impact of applying AASB 9 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Consolidated Entity has elected not to adjust comparative information.

#### Impact of Changes – AASB 9 Financial Instruments

The Company has adopted AASB 9 from 1 July 2018 which has resulted in changes to accounting policies and the analysis for possible adjustments to amounts recognised in the financial report. In accordance with the transitional provisions in AASB 9, the reclassifications and adjustments are not reflected in the balance sheet as at 30 June 2018 but recognised in the opening balance sheet as at 1 July 2018. As per the new impairment model introduced by AASB 9, the Company has not recognised a loss allowance on trade and other receivables.

#### Classification and Measurement

On 1 July 2018, the Company has assessed which business models apply to the financial instruments held by the Company and have classified them into the appropriate AASB 9 categories. The main effects resulting from this reclassification are shown in the table below.

On adoption of AASB 9, the Company classified financial assets and liabilities as subsequently measured at either amortised cost or fair value, depending on the business model for those assets and on the asset's contractual cash flow characteristics. There were no changes in the measurement of the Company's financial instruments.



There was no impact on the statement of comprehensive income or the statement of changes in equity on adoption of AASB 9 in relation to classification and measurement of financial assets and liabilities.

The following table summarises the impact on the classification and measurement of the Group's financial instruments at 1 July 2018:

Presented in statement of financial position			Original carrying amount under AASB 139	New carrying amount under AASB 9
	AASB 139	AASB 9	\$000	\$000
Cash and cash equivalents	Loans and receivables	Amortised Cost	100,935	100,935
Trade and other receivables	Loans and receivables	Amortised Cost	1,849	1,849
Trade and other payables	Amortised Cost	Amortised Cost	909	909
Financial liabilities at fair value through profit and loss	Fair Value	Fair Value	37,756	37,756

The Company does not currently enter into any hedge accounting and therefore there is no impact to the Company's financial reports.

### Impairment

AASB 9 introduces a new expected credit loss ('ECL') impairment model that requires the Company to adopt an ECL position across the Company's financial assets at 1 July 2018. The Company's receivables balance consists of GST/VAT refunds from recognised government entities and interest receivables from recognised Australian banking institutions. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, all bank balances are assessed to have low credit risk as they are held with reputable financial institutions that are rated the equivalent of investment grade and above.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Given the Company's counterparties are government entities and Australian banking institutions, the Company has assessed that the risk of default is minimal and as such, no additional impairment loss has been recognised against these financial assets as at 1 July 2018.

### (d) 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Business Combinations

The acquisition 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.

#### (f) 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(u). The application of this policy requires management to make certain judgements 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 for 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(h)) - determination of the functional currency of foreign subsidiaries requires judgement regarding the primary currency of labour, material and exploration spend in that subsidiary.

#### (g) Revenue Recognition

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

#### (h) Foreign Currency Translation

Both the functional and presentation currency of Berkeley at 30 June 2019 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.

#### (i) Income Tax

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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (i) Income Tax (Continued)

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

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

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

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

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

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

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

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.

#### (j) Cash and Cash Equivalents

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

**(k) 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 or 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.

**(l) Trade and Other Receivables**

Trade receivables are recognised and carried at original invoice amount less any ECL.

Receivables from related parties are recognised and carried at the nominal amount due and are interest free.

**(m) Financial Assets****(i) Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ('OCI'), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, less transaction costs.

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (relevant to the Group);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (not relevant to the Group);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments – not relevant to the group); and
- Financial assets at fair value through profit or loss (relevant to the group).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (m) Financial Assets (Continued)

#### **Financial assets at amortised cost (debt instruments)**

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes GST and other taxes receivables, interest receivable and security deposits.

#### **Impairment**

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables due in less than 12 months, the Group recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

Given the nature of financial assets held by the Group, it considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

### (n) 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 and land)	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.

#### **(o) 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.

#### **(p) Financial liabilities**

##### **(i) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and financial instruments.

##### **(ii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### ***Financial liabilities at fair value through profit or loss***

This is the category most relevant to the Group. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has designated the convertible note and SGRF Options as financial liabilities at fair value through profit or loss.

##### ***Loans and borrowings***

This is the category least relevant to the Group. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are then recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

##### **(iii) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another liability on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (q) Employee Leave Benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. Employee benefits payable later than 12 months have been measured using the projected unit credit valuation method.

#### (r) Issued Capital

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

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

#### (s) Dividends

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

#### (t) Earnings per Share (EPS)

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### (u) Exploration and Evaluation Expenditure

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

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 derecognised 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.

### (v) Goods and Services Tax

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

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

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

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

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

### (w) Share Based Payments

#### (i) Equity settled transactions:

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

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using an appropriate method (e.g. 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (w) Share Based Payments (Continued)

##### (i) Equity settled transactions (Continued):

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

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

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

#### (x) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to 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	2019 \$000	2018 \$000
<b>2. REVENUE</b>			
Interest revenue		2,340	1,034
		<b>2,340</b>	<b>1,034</b>
<b>3. FAIR VALUE MOVEMENTS</b>			
Fair value gain on financial liabilities through profit and loss	12(b)	38,120	15,881

The fair value movements are a result of the fair value measurements of the convertible note and unlisted options issued to SGRF. These financial liabilities increase or decrease in size as the share price of the Company fluctuates. With the share price decreasing substantially year, the size of financial liability has decreased materially resulting in a large fair value gain for the period to 30 June 2019. 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. Please refer to Note 12 for further disclosure.

	2019 \$000	2018 \$000
<b>4. EXPENSES</b>		
Profit/(Loss) from ordinary activities before income tax expense includes the following specific expenses:		
<b>(a) Expenses</b>		
Depreciation and amortisation		
- Plant and equipment	(245)	(278)
<b>(b) Employee Benefits Expense</b>		
Salaries, wages and fees	(6,922)	(3,988)
Defined contribution/Social Security	(651)	(678)
Share-based payments (refer Note 18(a))	2,048	(528)
Total Employee Benefits Expense	(5,525)	(5,194)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

	2019 \$000	2018 \$000
<b>5. INCOME TAX EXPENSE</b>		
<b>(a) Recognised in the Income Statement</b>		
<i>Current income tax</i>		
Current income tax expense in respect of the year	-	-
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	-	-
Income tax reported in the income statement	-	-
<b>(b) Reconciliation Between Tax Expense and Accounting Profit/(Loss) Before Income Tax</b>		
Accounting profit/(loss) before income tax	34,431	(4,748)
At the domestic income tax rate of 30% (2018: 27.5%)	10,329	(1,306)
Expenditure not allowable for income tax purposes	241	5,120
Income not assessable for income tax purposes	(12,011)	(4,366)
Effect of increase in tax rate	(1,778)	-
Foreign currency exchange gains and other translation adjustments	(894)	(236)
Temporary differences previously not brought to account	461	(237)
Temporary differences not brought to account	3,652	1,025
Income tax (benefit)/expense reported in the income statement	-	-
<b>(c) Deferred Income Tax</b>		
Deferred income tax relates to the following:		
<i>Deferred Tax Liabilities</i>		
Accrued interest	6	98
Unrealised foreign exchange	1,460	860
Deferred tax assets used to offset deferred tax liabilities	(1,466)	(958)
	-	-
<i>Deferred Tax Assets</i>		
Accrued expenditure	12	10
Capital allowances	11,536	9,547
Tax losses available to offset against future taxable income	13,607	11,438
Deferred tax assets used to offset deferred tax liabilities	(1,466)	(958)
Deferred tax assets not brought to account	(23,689)	(20,037)
	-	-

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.



	2019 \$000	2018 \$000
<b>6. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES</b>		
GST and other taxes receivable	1,533	1,320
Interest receivable	18	356
Other	110	173
	<b>1,661</b>	<b>1,849</b>

Trade receivables are recognised and carried at original invoice amount less any ECL.

	2019 \$000	2018 \$000
<b>7. NON-CURRENT ASSETS – EXPLORATION EXPENDITURE</b>		
The group has mineral exploration costs carried forward in respect of areas of interest <sup>(1)(2)</sup> :		
<b>Areas in exploration at cost:</b>		
Balance at the beginning of year	8,203	7,945
Net additions	-	106
Foreign exchange differences	71	152
Balance at end of year	<b>8,274</b>	<b>8,203</b>

**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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

	2019 \$000	2018 \$000
<b>8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT</b>		
<b>(a) Plant and equipment</b>		
Net carrying amount at beginning of financial year	1,107	900
Additions	1,189	410
Depreciation charge for the year	(212)	(279)
Disposals	(5)	-
Foreign exchange differences	41	76
<b>Net carrying amount at end of financial year</b>	<b>2,120</b>	<b>1,107</b>
<b>At end of financial year:</b>		
Gross carrying amount – at cost	3,647	2,419
Accumulated depreciation and impairment	(1,527)	(1,312)
<b>Net carrying amount at end of financial year</b>	<b>2,120</b>	<b>1,107</b>
<b>(b) Property (Buildings and Land)</b>		
Net carrying amount at beginning of financial year	10,427	8,899
Additions	66	988
Depreciation charge for the year	(33)	(32)
Disposals	-	-
Foreign exchange differences	278	572
<b>Net carrying amount at end of financial year</b>	<b>10,738</b>	<b>10,427</b>
<b>At end of financial year</b>		
Gross carrying amount – at cost	10,965	10,615
Accumulated depreciation and impairment	(227)	(188)
<b>Net carrying amount at end of financial year</b>	<b>10,738</b>	<b>10,427</b>
<b>(c) Total Property, Plant and Equipment</b>		
Net carrying amount at beginning of financial year	11,534	9,799
Additions	1,255	1,398
Depreciation charge for the year	(245)	(311)
Disposals	(5)	-
Foreign exchange differences	319	648
<b>Net carrying amount at end of financial year</b>	<b>12,858</b>	<b>11,534</b>



	2019 \$000	2018 \$000
<b>9. NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS</b>		
Security bonds	540	527
<b>10. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES</b>		
Trade creditors	1,952	909
	<b>1,952</b>	<b>909</b>

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.

	2019 \$000	2018 \$000
<b>11. CURRENT LIABILITIES – PROVISIONS</b>		
Provisions	564	550

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

	2019 \$000	2018 \$000
<b>12. FINANCIAL LIABILITIES</b>		
<b>(a) Financial liabilities at fair value through profit and loss</b>		
Convertible note	35,972	69,552
SGRF Options	1,784	5,257
	<b>37,756</b>	<b>74,809</b>

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 Group also incurred one off costs in the prior year to issue the convertible note and associated securities of \$2,697,000.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

**12. FINANCIAL LIABILITIES (Continued)**

	Consolidated 30 June 2018			Consolidated 30 June 2019
	Opening Balance \$000	Fair Value Change \$000	Foreign Exchange Loss/(Gain) \$000	Total \$000
<b>(b) Reconciliation</b>				
Convertible note	69,552	(34,570)	990	35,972
SGRF Options	5,257	(3,550)	77	1,784
<b>Total fair value</b>	<b>74,809</b>	<b>(38,120)</b>	<b>1,067</b>	<b>37,756</b>

	Consolidated 30 November 2017			Consolidated 30 June 2018
	Opening Balance \$000	Fair Value Change \$000	Foreign Exchange Loss/(Gain) \$000	Total \$000
Convertible note	73,077	(7,375)	3,850	69,552
SGRF Options	12,746	(8,506)	1,017	5,257
<b>Total fair value</b>	<b>85,823</b>	<b>(15,881)</b>	<b>4,867</b>	<b>74,809</b>

**(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:*

	2019	2018
Conversion price	£0.500	£0.500
Valuation date share price	£0.198	£0.387
Number of shares (probability weighted average) ('000)	100,880	100,880
Fair value per share	\$0.357	\$0.689



## SGRF Options:

30 June 2019	Tranche 1	Tranche 2	Tranche 3
Exercise price	£0.600	£0.750	£1.000
Valuation date share price	£0.198	£0.198	£0.198
Dividend yield <sup>(1)</sup>	-	-	-
Volatility <sup>(2)</sup>	55%	55%	55%
Risk-free interest rate	0.64%	0.64%	0.64%
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 (£)	£0.023	£0.021	£0.017
Fair value (\$)	\$0.042	\$0.038	\$0.031

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 <sup>(1)</sup>	-	-	-
Volatility <sup>(2)</sup>	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

<sup>(1)</sup> The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

<sup>(2)</sup> The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

	2019 \$000	2018 \$000
<b>13. ISSUED CAPITAL</b>		
<b>(a) Issued and Paid up Capital</b>		
258,475,000 (2018: 258,334,000) fully paid ordinary shares	<b>169,736</b>	169,633

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

Date	Details	Number of Shares '000	\$000
<b>1 Jul 18</b>	<b>Opening Balance</b>	<b>258,334</b>	<b>169,633</b>
17 Aug 18	Issue of shares	81	80
14 Jun 19	Issue of shares	60	50
Jul 18 to Jun 19	Share issue costs	-	(27)
<b>30 Jun 19</b>	<b>Closing Balance</b>	<b>258,475</b>	<b>169,736</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

### 13. ISSUED CAPITAL (Continued)

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

Date	Details	Number of Shares '000	\$000
<b>1 Jul 17</b>	<b>Opening Balance</b>	<b>254,512</b>	<b>168,051</b>
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)
<b>30 Jun 18</b>	<b>Closing Balance</b>	<b>258,334</b>	<b>169,633</b>

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

##### (i) General

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

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

##### (ii) Reports and Notices

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

##### (iii) Voting

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

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

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

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

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

##### (v) Unmarketable Parcels

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

(vi) *Changes to the Constitution*

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

(vii) *Listing Rules*

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

**14. RESERVES**

	Note	2019 \$000	2018 \$000
Share-based payments reserve	14(b)	341	2,803
Foreign currency translation reserve		(872)	(1,254)
		(531)	1,549

**(a) Nature and Purpose of Reserves***Share-based payments reserve*

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

*Foreign currency translation reserve*

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

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

Date	Details	Number of Incentive Options '000	Number of Performance/ share Rights '000	\$000
<b>1 Jul 18</b>	<b>Opening Balance</b>	<b>3,500</b>	<b>8,246</b>	<b>2,803</b>
10 Aug 18	Grant of Performance/share Rights	-	1,290	-
31 Dec 18	Expiry of Performance Rights	-	(3,603)	(3,162)
30 Jun 19	Expiry of £0.20 Incentive Options	(3,500)	-	(414)
14 Jun 19	Conversion of share rights	-	(60)	-
Jul 18 to Jun 19	Share-based payments expense	-	-	1,114
<b>30 Jun 19</b>	<b>Closing Balance</b>	<b>-</b>	<b>5,873</b>	<b>341</b>
<b>1 Jul 17</b>	<b>Opening Balance</b>	<b>7,500</b>	<b>8,610</b>	<b>2,791</b>
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
<b>30 Jun 18</b>	<b>Closing Balance</b>	<b>3,500</b>	<b>8,246</b>	<b>2,803</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

**15. PARENT ENTITY INFORMATION**

	2019 \$000	2018 \$000
Current assets	96,345	100,797
Total assets	111,525	116,014
Current liabilities	37,950	75,464
Total liabilities	37,950	75,464
Net Assets	73,575	40,550
Issued Capital	169,736	169,633
Reserves	341	2,803
Accumulated losses	(96,502)	(131,886)
Total equity	73,575	40,550
Profit of the parent entity	35,025	5,034
Total comprehensive Profit of the parent entity	35,025	5,034

The Parent Company had no guarantees, commitments or contingencies at 30 June 2019 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	
		2019 %	2018 %
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 (resigned effective 11 July 2019)
Deepankar Panigrahi	Non-Executive Director
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
Dylan Browne	Company Secretary

There were no other key management personnel of the Company or the Group. Unless otherwise disclosed, the Key Management Personnel held their position from 1 July 2018 to 30 June 2019.

**(b) Key Management Personnel Compensation**

	2019 \$000	2018 \$000
Short-term benefits	(1,528)	(1,788)
Post-employment benefits	(41)	(30)
Share-based payments	997	(304)
	<b>(572)</b>	<b>(2,122)</b>

**18. SHARE-BASED PAYMENTS****(a) Recognised Share-Based Payment Expense**

	2019 \$000	2018 \$000
Net gain/(expense) arising from equity-settled share-based payment transactions (incentive securities)	2,048	(528)
Consultancy service costs settled by equity-settled share-based payment transactions (shares)	(50)	(17)
Shares issued to employees in Spain as part of a Spanish employee share award	(80)	-
Total share-based payments recognised during the year	<b>1,918</b>	<b>(545)</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

### 18. SHARE-BASED PAYMENTS (Continued)

#### (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:

Options	2019 '000	2019 WAEP	2018 '000	2018 WAEP
Outstanding at beginning of year	3,500	\$0.411	7,500	\$0.390
Granted during the year	-	-	-	-
Exercised during the year	-	-	(3,800)	\$0.328
Expired during the year	(3,500)	\$0.411	(200)	\$0.821
Outstanding at end of year	-	-	3,500	\$0.411

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

Rights 2019	Number	Grant Date	Issue Date	Expiry Date	Exercise Price	Fair Value \$
<b>Series</b>						
Series 1	300,000	10 Aug 18	10 Aug 18	31 Dec 19	-	0.740
Series 2	100,000	10 Aug 18	10 Aug 18	30 Jun 20	-	0.740
Series 3	100,000	10 Aug 18	10 Aug 18	31 Dec 20	-	0.740
Series 4	600,000	10 Aug 18	10 Aug 18	31 Dec 21	-	0.740

Rights 2018	Number	Grant Date	Issue Date	Expiry Date	Exercise Price	Fair Value \$
<b>Series</b>						
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

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

Performance/share Rights	2019 '000	2019 WAEP	2018 '000	2018 WAEP
Outstanding at beginning of year	8,246	-	8,610	-
Granted during the year	1,290	-	36	-
Lapsed during the year	(3,603)	-	-	-
Forfeited during the year	-	-	(400)	-
Converted during the year	(60)	-	-	-
Outstanding at end of year	5,873	-	8,246	-



The outstanding balance of Performance/share Rights as at 30 June 2019 is represented by:

- 4,943,000 Performance Rights expiring on 31 December 2019;
- 100,000 Performance Rights expiring on 30 June 2020;
- 100,000 Performance Rights expiring on 31 December 2020;
- 600,000 Performance Rights expiring on 31 December 2021;
- 60,000 share rights expiring 1 May 2020; and
- 70,000 share rights expiring 1 May 2021.

**(c) Weighted Average Remaining Contractual Life**

At 30 June 2019, the weighted average remaining contractual life for Incentive Options on issue that had been granted as share-based payments was nil (2018: 1.00 years). The weighted average remaining contractual life for Performance Rights issued as share-based payments was 0.74 years (2018: 1.07 years).

**(d) Range of Exercise Prices**

At 30 June 2019, the range of exercise prices for Incentive Options on issue that had been granted as share-based payments was nil (2018: £0.20). 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 2019 was \$0.740 (2018: \$0.970). No Incentive Options were issued in 2019 and 2018.

**(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 Incentive 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 2019 and 30 June 2018. 1,100,000 (2018: 36,000) Performance Rights were issued to in the financial year ended 30 June 2019.

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

Rights 2019 Inputs	Performance Rights				Share Rights		
	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6	Series 7
Exercise price (A\$)	-	-	-	-	-	-	-
Grant date share price (A\$)	0.740	0.740	0.740	0.740	0.850	0.850	0.850
Dividend yield <sup>(1)</sup>	-	-	-	-	-	-	-
Volatility <sup>(2)</sup>	-	-	-	-	-	-	-
Risk-free interest rate	-	-	-	-	-	-	-
Grant date	10 Aug 18	10 Aug 18	10 Aug 18	10 Aug 18	23 Mar 18	23 Mar 18	23 Mar 18
Milestone date	31 Dec 18	30 Jun 19	31 Dec 19	31 Dec 20	1 May 19	1 May 20	1 May 21
Expiry date	31 Dec 19	30 Jun 20	31 Dec 20	31 Dec 21	1 May 19	1 May 20	1 May 21
Expected life of rights <sup>(3)</sup> (years)	1.39	1.89	2.39	3.39	0.80	1.80	2.80
Fair value at grant date (A\$)	0.740	0.740	0.740	0.740	0.850	0.850	0.850

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

### 18. SHARE-BASED PAYMENTS (Continued)

#### (f) Option and Performance Rights Pricing Model (Continued)

Rights 2018 Inputs	Series 1	Series 2
Exercise price (A\$)	-	-
Grant date share price (A\$)	0.970	0.970
Dividend yield <sup>(1)</sup>	-	-
Volatility <sup>(2)</sup>	-	-
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 <sup>(3)</sup> (years)	0.97	1.97
Fair value at grant date	0.970	0.970

**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.

#### (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 2019 each vest separately on completion of the each of the two milestones:
- **Production Milestone** means achievement of first uranium production before 31 December 2018 (expiry 31 December 2019);
- **Working Capital Facility Milestone** means the announcement by the Company on a stock exchange that it has entered into a working capital facility as approved by the Board (expiry 30 June 2020);
- **Offtake Contract Milestone** means the announcement by the Company on a stock exchange that it has secured a further 100,000 pounds of uranium offtake for the Salamanca Project in a contract approved by the Board (expiry 31 December 2020); and
- **Commercial Production Milestone** means achievement of quarterly commercial production (as per the final definitive feasibility study) from the Salamanca Project (expiry 31 December 2021).
- 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.



	2019 \$	2018 \$
<b>19. REMUNERATION OF AUDITORS</b>		
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	<b>33,000</b>	31,330
- preparation of income tax return	<b>7,000</b>	40,025
Amounts received or due and receivable by related practices of Ernst & Young for:		
- an audit or review of the financial reports of the Company	<b>49,366</b>	44,465
- other services in relation to the Company	<b>45,764</b>	78,450
Other auditors for:		
- an audit or review of the financial reports	<b>7,187</b>	9,211
<b>Total Auditors Remuneration</b>	<b>142,317</b>	203,481

## 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

	2019 \$000	2018 \$000
United Kingdom	<b>83</b>	119
Spain	<b>21,589</b>	20,144
	<b>21,672</b>	20,263

## 21. EARNINGS PER SHARE

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

	2019 \$000	2018 \$000
Net profit/(loss) used in calculating basic and diluted earnings per share	<b>34,431</b>	(4,748)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

### 21. EARNINGS PER SHARE (Continued)

#### (a) Weighted Average Number of Shares

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

	Number of Shares 2019 '000	Number of Shares 2018 '000
Weighted average number of ordinary shares used in calculating basic earnings per share	258,408	254,565
Weighted average number of ordinary shares to be issued upon conversion of convertible note	100,880	58,870
Effect of dilutive securities <sup>(1)</sup>	-	-
Adjusted weighted average number of ordinary shares and potential ordinary shares used in calculating basic and diluted earnings per share	359,288	313,435

#### Notes:

(1) At 30 June 2019, 5,873,000 Performance/share Rights and 50,443,000 SGRF Options (which represent 56,186,000 potential ordinary shares) were considered not dilutive as the exercise price of the options was greater than the average market price of the Company's shares during the year whilst the performance conditions of the Rights have not been met and as such were both excluded from the weighted average number of shares for the purposes of diluted earnings per share.

#### (b) Conversions, Calls, Subscriptions or Issues after 30 June 2019

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

	2019 \$000	2018 \$000
Net profit/(loss) before income tax expense	34,431	(4,748)
<b>Adjustment for income and expense items</b>		
Depreciation	245	278
Share-based payments expense	(1,918)	545
Other non-cash expenses/(gain)	(38,120)	(15,439)
Cost to issue convertible note	-	2,697
Foreign exchange movement	(3,800)	2,027
<b>Changes in operating assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	188	(539)
Increase/(decrease) in trade and other payables	1,040	(4,299)
Net cash outflow from operating activities	(7,934)	(19,478)
<b>(b) Reconciliation of Cash and Cash Equivalents</b>		
Cash at bank and on hand	6,955	15,184
Bank short term deposits	89,632	85,751
	96,587	100,935



### (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 2019*

An amount of \$80,000 and \$50,000 was recognised as a share-based payment for the issue of shares to employees in Spain as part of a Spanish employee share award program and a consultant as part of their annual fee respectively. Please refer to Note 18(a) for further disclosure.

*30 June 2018*

An amount of \$17,000 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) for further disclosure.

## 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 overpage:

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

### 23. FINANCIAL INSTRUMENTS (Continued)

#### (b) Credit Risk (Continued)

	2019 \$000	2018 \$000
<b>Current Assets</b>		
Cash and cash equivalents	96,587	100,935
Trade and other receivables	1,661	1,849
	<b>98,248</b>	102,784
<b>Non-current Assets</b>		
Other financial assets	540	527
	<b>540</b>	527
	<b>98,788</b>	103,311

The Group does not have any significant customers and accordingly does not have any significant exposure to ECLs. Trade and other receivables are expected to be collected in full and the Group has no history of ECLs.

As at 30 June 2019, 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 ECLs is not significant.

The Company's receivables balance consists of GST/VAT refunds from recognised government entities with minimal credit risk. While and interest receivables and cash and cash equivalents are due and/or held with reputable financial institutions that are rated the equivalent of investment grade and above.

#### (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 2019 and 2018, the Group has sufficient liquid assets to meet its financial obligations.

The contractual maturities for 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
<b>2019</b>					
<b>Financial Liabilities</b>					
Trade and other payables	1,952	-	-	-	1,952
	<b>1,952</b>	-	-	-	<b>1,952</b>
<b>2018</b>					
<b>Financial Liabilities</b>					
Trade and other payables	909	-	-	-	909
	<b>909</b>	-	-	-	<b>909</b>

**(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:

	2019 \$000	2018 \$000
<b>Interest-bearing Financial Instruments</b>		
Cash at bank and on hand	6,955	15,184
Bank short term deposits	89,632	85,751
	<b>96,587</b>	100,935

The Group's cash at bank and on hand and short term deposits had a weighted average variable interest rate at year end of 2.26% (2018: 2.11%).

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 2018.

	Profit or Loss		Other Comprehensive Income	
	1% Increase \$000	1% Decrease \$000	1% Increase \$000	1% Decrease \$000
<b>2019</b>				
<b>Group</b>				
Cash and cash equivalents	966	(966)	-	-
<b>2018</b>				
<b>Group</b>				
Cash and cash equivalents	1,009	(1,009)	-	-

**(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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (Continued)

### 23. FINANCIAL INSTRUMENTS (Continued)

#### (e) Foreign Currency Risk (Continued)

A 10% strengthening/weakening of the Australian dollar against the Euro at 30 June 2019 would have increased/(decreased) the net financial assets of the Spanish controlled entities by A\$28,000/(A\$28,000) (2018: A\$169,000/(A\$169,000)).

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 2019 would have increased/(decreased) the cash and cash equivalents and profit or loss of the Group by A\$1,100/(A\$1,100) (2018: A\$1,000/(A\$1,000)).

A 10% strengthening/weakening of the Australian dollar against the Sterling at 30 June 2019 would have increased/(decreased) the cash and cash equivalents and profit or loss of the Group by A\$309,000/(A\$309,000) (2018: A\$859,000/(A\$859,000)).

A 10% strengthening/weakening of the Australian dollar against the US Dollar at 30 June 2019 would have increased/(decreased) the cash and cash equivalents and profit or loss of the Group by A\$9,271,000/(A\$9,271,000) (2018: A\$8,575,000/(A\$8,575,000)).

The above analysis assumes that all other variables, in particular interest rates, remain constant. The analysis for 2018 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.

#### (g) Capital Management

The Group defines its Capital as total equity of the Group, being \$79,648,000 as at 30 June 2019 (2018: \$46,780,000). 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
<b>2019</b>				
<b>Group</b>				
Convertible note	3,597	(3,597)	-	-
SGRF Options	457	(457)	-	-
<b>2018</b>				
<b>Group</b>				
Convertible note	6,955	(6,955)	-	-
SGRF Options	526	(526)	-	-

#### 24. CONTINGENT LIABILITIES

Other than the production fee arrangement with ENUSA disclosed in Note 7, the Group had no contingent liabilities at 30 June 2019 (2018: Nil).

#### 25. COMMITMENTS

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

	Payable within 1 year	Payable after 1 year	Total
	\$000	and less than 5 years \$000	
<b>2019</b>			
Operating Commitments	459	368	827
<b>2018</b>			
Operating Commitments	451	362	813

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 11 July 2019, Mr Paul Atherley resigned as Managing Director and CEO to concentrate on his other investments in the resource sector.

Other than as outlined above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2019 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2019, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2019, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2019, 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 2019 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 2019.

On behalf of the Board.

  
**ROBERT BEHETS**  
Director

25 September 2019



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## Auditor's Independence Declaration to the Directors of Berkeley Energia Limited

As lead auditor for the audit of the financial report of Berkeley Energia Limited for the financial year ended 30 June 2019, 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

T S Hammond  
Partner  
25 September 2019



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## 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 2019, 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 2019 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.



## 1. Convertible note arrangement

Why significant	How our audit addressed the KAM
<p>During the prior year the Group issued a convertible note and options which has been classified as a financial liability through profit and loss. The details of the convertible note and options, including the assumptions adopted in its valuation, are disclosed in Note 12.</p> <p>The accounting treatment for convertible notes and options are 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.</p> <p>Due to the complexity of the accounting treatment, and the related estimation uncertainty, this was considered a key audit matter.</p>	<p>We evaluated the Group's accounting treatment of the convertible note. In obtaining sufficient audit evidence, we:</p> <ul style="list-style-type: none"> <li>▶ Reviewed management's assessment of the applicable accounting treatment for the convertible note and options</li> <li>▶ Inspected the terms of the convertible note and options, including the terms of conversion</li> <li>▶ 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</li> <li>▶ Considered the adequacy of the Group's disclosures in respect of the convertible note and options, including the fair value measurement of the financial liability.</li> </ul>

## 2. Exploration and evaluation expenditure assets

Why significant	How our audit addressed the KAM
<p>As disclosed in Note 7, as at 30 June 2019, the Group held exploration and evaluation assets of \$8.3 million. In addition, as disclosed in note 8, the Group held \$12.9 million in property, plant and equipment. The property, plant and equipment balance includes land and buildings and other fixed assets acquired in relation to the Salamanca Project, and are an integral part of the exploration and evaluation activities.</p> <p>The carrying value of exploration and evaluation assets and property, plant and equipment are assessed for impairment by the Group when facts and circumstances indicate that the assets may exceed their recoverable amount.</p> <p>The determination as to whether there are any indicators to require exploration and evaluation assets to be assessed for impairment, involves a number of judgements including whether the Group has tenure, intends to perform ongoing exploration and evaluation activity 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.</p> <p>The determination as to whether there are any indicators to require property, plant and equipment to be assessed for impairment, involves judgement in considering whether external or internal sources of information suggest that an asset may be impaired. During the year, the Group determined that there had been no indicators of impairment.</p>	<p>In performing our procedures, we:</p> <ul style="list-style-type: none"> <li>▶ 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</li> <li>▶ 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 models, discussions with senior management and Directors as to the intentions and strategy of the Group</li> <li>▶ Assessed recent exploration and evaluation activity in the relevant license area to determine if there are any negative indicators that would suggest a potential impairment of the asset</li> <li>▶ Considered whether the exploration activities within each area of interest have reached a stage where the commercially viable resource estimates could be made</li> <li>▶ Compared the Group's market capitalization relative to its net assets</li> <li>▶ Considered the nature of the property, plant and equipment and whether there were any potential indicators of impairment, and</li> <li>▶ Assessed the adequacy of the disclosure included in the financial report.</li> </ul>



### 3. Share-based payments

Why significant	How our audit addressed the KAM
<p>In the current year the Group granted share-based payments awards in the form of performance rights. The awards vest subject to the achievement of certain vesting conditions.</p> <p>In determining the fair value of the awards and related expense the Group uses assumptions in respect of the achievement of future non-market performance conditions.</p> <p>Details of the Groups share-based payments are disclosed in Not 18.</p> <p>Due to the complex and judgmental estimates used in determining the valuation of the share-based payments and vesting period, we considered the Group's calculation of the share-based payment expense to be a key audit matter.</p>	<p>For awards granted during the year, in performing our audit procedures we:</p> <ul style="list-style-type: none"> <li>▶ Assessed the appropriateness of the grant date</li> <li>▶ Assessed the assumptions used in the fair value calculation, being the share price of the underlying equity and grant date</li> <li>▶ Assessed the vesting period assumptions and probability of achievement, and</li> <li>▶ Assessed the adequacy of the disclosure included in the financial report.</li> </ul>

#### 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.

## INDEPENDENT AUDITOR'S REPORT (Continued)



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.

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 16 to 18 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Berkeley Energia Limited for the year ended 30 June 2019, 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

T S Hammond  
Partner  
Perth  
25 September 2019



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](http://www.berkeleyenergia.com). These documents are reviewed annually to address any changes in governance practices and the law.

The Company's Corporate Governance Statement 2019, 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 2019, is available in the Corporate Governance section of the Company's website, [www.berkeleyenergia.com](http://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.

## MINERAL RESOURCES AND ORE RESERVES STATEMENT

### 1. MINERAL RESOURCES

Berkeley's Mineral Resource Statement as at 30 June 2019 and 30 June 2018 is grouped by deposit, all of which form part of the Salamanca mine in Spain as follows:

Deposit Name	Resource Category	2019			2018		
		Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (Mlbs)	Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (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
	<b>Total</b>	<b>15.6</b>	<b>422</b>	<b>14.5</b>	<b>15.6</b>	<b>422</b>	<b>14.5</b>
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
	<b>Total</b>	<b>21.7</b>	<b>631</b>	<b>30.2</b>	<b>21.7</b>	<b>631</b>	<b>30.2</b>
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
<b>Total Retortillo Satellites</b>	<i>Inferred</i>	<b>2.8</b>	<b>492</b>	<b>3.0</b>	<b>2.8</b>	<b>492</b>	<b>3.0</b>
Alameda	Indicated	20.0	455	20.1	20.0	455	20.1
	Inferred	0.7	657	1.0	0.7	657	1.0
	<b>Total</b>	<b>20.7</b>	<b>462</b>	<b>21.1</b>	<b>20.7</b>	<b>462</b>	<b>21.1</b>
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
<b>Total Alameda Satellites</b>	<i>Inferred</i>	<b>9.1</b>	<b>472</b>	<b>9.5</b>	<b>9.1</b>	<b>472</b>	<b>9.5</b>
<b>Gambuta</b>	<i>Inferred</i>	<b>12.7</b>	<b>394</b>	<b>11.1</b>	<b>12.7</b>	<b>394</b>	<b>11.1</b>
<b>Salamanca mine</b>	<i>Measured</i>	<b>9.3</b>	<b>597</b>	<b>12.3</b>	<b>9.3</b>	<b>597</b>	<b>12.3</b>
	<i>Indicated</i>	<b>41.8</b>	<b>516</b>	<b>47.5</b>	<b>41.8</b>	<b>516</b>	<b>47.5</b>
	<i>Inferred</i>	<b>31.5</b>	<b>425</b>	<b>29.5</b>	<b>31.5</b>	<b>425</b>	<b>29.6</b>
	<b>Total</b>	<b>82.6</b>	<b>490</b>	<b>89.3</b>	<b>82.6</b>	<b>490</b>	<b>89.3</b>

(\* 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 change to the Mineral Resources reported for the Salamanca mine.



## 2. ORE RESERVES

The Company's Ore Reserves as at 30 June 2019 and 30 June 2018, reported in accordance with the 2012 Edition of the JORC Code, for the Salamanca mine are as follows:

Deposit Name	Reserve Category	2019			2018		
		Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (Mlbs)	Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (Mlbs)
<b>Retortillo</b>	Proved	4.0	397	3.5	4.0	397	3.5
	Probable	11.9	329	7.9	11.9	329	7.9
	<b>Total</b>	<b>15.9</b>	<b>325</b>	<b>11.4</b>	<b>15.9</b>	<b>325</b>	<b>11.4</b>
<b>Zona 7</b>	Proved	6.5	542	7.8	6.5	542	7.8
	Probable	11.9	624	16.4	11.9	624	16.4
	<b>Total</b>	<b>18.4</b>	<b>595</b>	<b>24.2</b>	<b>18.4</b>	<b>595</b>	<b>24.2</b>
<b>Alameda</b>	Proved	0.0	0.0	0.0	0.0	0.0	0.0
	Probable	26.4	327	19.0	26.4	327	19.0
	<b>Total</b>	<b>26.4</b>	<b>327</b>	<b>19.0</b>	<b>26.4</b>	<b>327</b>	<b>19.0</b>
<b>Total</b>	<b>Proved</b>	<b>10.5</b>	<b>487</b>	<b>11.3</b>	<b>10.5</b>	<b>487</b>	<b>11.3</b>
	<b>Probable</b>	<b>50.3</b>	<b>391</b>	<b>43.4</b>	<b>50.3</b>	<b>391</b>	<b>43.4</b>
	<b>Total (*)</b>	<b>60.7</b>	<b>408</b>	<b>54.6</b>	<b>60.7</b>	<b>408</b>	<b>54.6</b>

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 2019.

## MINERAL RESOURCES AND ORE RESERVES STATEMENT

(Continued)

### 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 Berkeley, 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 2019.

## 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
BNP PARIBAS NOMINEES PTY LTD <BPSSMDRDRENT4BANCBERKEL DRP>	100,353,224	38.83
COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	53,011,454	20.51
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,911,423	6.54
ARGONAUT SECURITIES (NOMINEES) PTY LTD <ASPL CLIENT NO 8 A/C>	16,828,757	6.51
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14,733,102	5.70
ZERO NOMINEES PTY LTD	10,500,000	4.06
ARREDO PTY LTD	9,300,000	3.60
SELECTION CAPITAL LIMITED	2,968,622	1.15
CITICORP NOMINEES PTY LIMITED	2,210,779	0.86
MR ROBERT ARTHUR BEHETS + MRS KRISTINA JANE BEHETS <BEHETS FAMILY A/C>	2,000,000	0.77
BNP PARIBAS NOMS PTY LTD <DRP>	1,243,286	0.48
JOSSELIN PTY LTD	1,000,000	0.39
MR FRANCISCO DE PAULA BELLON DEL ROSAL	750,000	0.29
MR GERARDO JAVIER COLILLA PELETERO	750,000	0.29
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	721,045	0.28
MRS MARGARET JADWIGA ELLIS	625,000	0.24
MR WILLIAM FREDERICK PITT + MR BENJAMIN ARCHER PITT <PITT SUPER FUND A/C>	606,000	0.23
BNP PARIBAS NOMINEES PTY LTD CANACCORD DRP	550,001	0.21
YANGTZE INVESTMENTS PTY LTD <YANGTZE A/C>	508,305	0.20
ARGONAUT SECURITIES (NOMINEES) PTY LTD <ASPL CLIENT NO 9 A/C>	500,000	0.19
MR JAY HUGHES + MRS LINDA HUGHES <INKESE SUPER A/C>	500,000	0.19
<b>Total Top 20</b>	<b>236,570,998</b>	<b>91.53</b>
Others	21,904,422	8.47
<b>Total Ordinary Shares on Issue</b>	<b>258,475,420</b>	<b>100.00</b>

## ASX ADDITIONAL INFORMATION

(Continued)

### 2. DISTRIBUTION OF EQUITY SECURITIES

An analysis of numbers of holders of listed securities by size of holding as at 31 August 2019 is listed below:

Distribution	Ordinary Shares	
	Number of Shareholders	Number of Shares
1 – 1,000	346	92,630
1,001 – 5,000	395	1,128,315
5,001 – 10,000	189	1,531,716
10,001 – 100,000	310	10,160,042
100,001 – and over	64	245,562,717
<b>Totals</b>	<b>1,304</b>	<b>258,475,420</b>

There were 496 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 2019:

Substantial Shareholder	Number of Shares
FIL Limited	18,679,842
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 2019, other than those securities issued or acquired under an employee incentive scheme, are listed below:

Holder	£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
Singapore Mining Acquisition Co Pte Ltd	10,088,625	15,132,937	25,221,562	100,880,000
Others (holding less than 20%)	-	-	-	-
<b>Total</b>	<b>10,088,625</b>	<b>15,132,937</b>	<b>25,221,562</b>	<b>100,880,000</b>
Total holders	1	1	1	1

### 5. VOTING RIGHTS

See Note 13 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 2019, the Company has an interest in the following tenements:

Location	Tenement Name	Percentage Interest	Status
<b>Spain</b>			
<u>Salamanca</u>	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. El Vaqueril	100%	Granted
	I.P. Espinera	100%	Granted
	I.P. Horcajada	100%	Granted
	I.P. Lis (partial)	100%	Granted
	I.P. Mailleras	100%	Granted
	I.P. Mimbre	100%	Granted
	I.P. Oñoro	100%	Granted
	I.P. Pedreras	100%	Granted
	E.P. Herradura	100%	Granted
	I.P. Conchas	Application	Pending
	I.P. Úrsulas	Application	Pending
	I.P. Lazarillo	Application	Pending
	I.P. Anaya	Application	Pending
	I.P. Dueñas	Application	Pending
I.P. Dominicos	Application	Pending	
I.P. Rúa	Application	Pending	
<u>Cáceres</u>	I.P. Almendro	100%	Granted
	I.P. Ibor	100%	Granted
	I.P. Olmos	100%	Granted
<u>Badajoz</u>	I.P. Don Benito Este	100%	Granted
	I.P. Don Benito Oeste	100%	Granted



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