Quarterly Activities Report

For the Quarter Ended

30 June 2009

Key Developments

Corporate

- The Co-operation Agreement with ENUSA was approved by the Spanish Council of Ministers.
- A deposit of €5m for the ENUSA assets was paid and acquisition and assessment of the historical database for the Salamanca State Reserves and the Quercus uranium processing plant commenced, signalling the commencement of Berkeley's feasibility study process on the Salamanca Uranium Project.
- Berkeley completed a placement and rights issue to shareholders, raising approximately $10m in total (before costs), which is expected to fully fund the feasibility study process.
- Mr Stephen Dattels joined the Board, representing Polo Resources Limited, the cornerstone shareholder in the placement.

Salamanca Uranium Project

- Acquisition of the ENUSA database is proceeding well with digital data for drilling and resource modelling now secured, as well as initial hard copy data relating to environmental and radiological management and metallurgy and processing.
- An initial review of historic drilling data confirms Berkeley's understanding of the quantum and quality of drilling and assaying undertaken, with very extensive diamond and percussion drilling undertaken at the Sageras/Zona M and Mina D deposits, near the Quercus plant, and substantial diamond drilling undertaken at the more distant Alameda deposits.
- Significant additional exploration potential is emerging from the review of historic drilling and radiometric data and also from new radiometric surveys by Berkeley.
- Very encouraging results were achieved from column leach tests on 2 composite samples from the Retortillo deposit, indicating good potential for heap leaching.

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Corporate

Berkeley's Co-operation Agreement with ENUSA - pursuant to which Berkeley may acquire 90% of ENUSA's uranium mining assets in Salamanca, Spain - was approved by the Spanish Council of Ministers in April.

Berkeley then paid a deposit of €5m and commenced acquisition of ENUSA's historical database for the assets in May.

For full details of the ENUSA Co-operation Agreement and the ENSUA assets, please refer to the Stock Exchange announcement on 10 December 2008.

In order to ensure funding through the anticipated 18 month period of the feasibility study process, Berkeley completed a share placement and a concurrent rights issue to shareholders, raising approximately $10m in total (before costs). The cornerstone investor in the placement was Polo Resources Limited, an AIM listed energy resources investor chaired by Mr Stephen Dattels (see www.poloresources.com).

Mr Dattels, who joined the Berkeley Board subsequent to the placement, was previously a founder and Director of Uramin Inc, which was sold for USA$2.5 billion to Areva in mid 2007.

Salamanca Uranium Project - Feasibility Study Process

Berkeley commenced the Feasibility Study process on the Salamanca Uranium Project on 26 May. The Feasibility Study is expected to take up to 18 months.

The Salamanca Uranium Project incorporates the Mina Fe deposits (Sageras/Zona M and Mina D) and the nearby Quercus Plant, as well as the more distant Alameda and the Retortillo deposits (see Figure 1). The Feasibility Study will focus initially on mining the Mina Fe deposits for processing through the Quercus Plant utilising heap leaching or dynamic leaching, or a combination of the two. The Study will also address the potential for subsequently sourcing additional feed for the plant from the Alameda and Retortillo deposits.

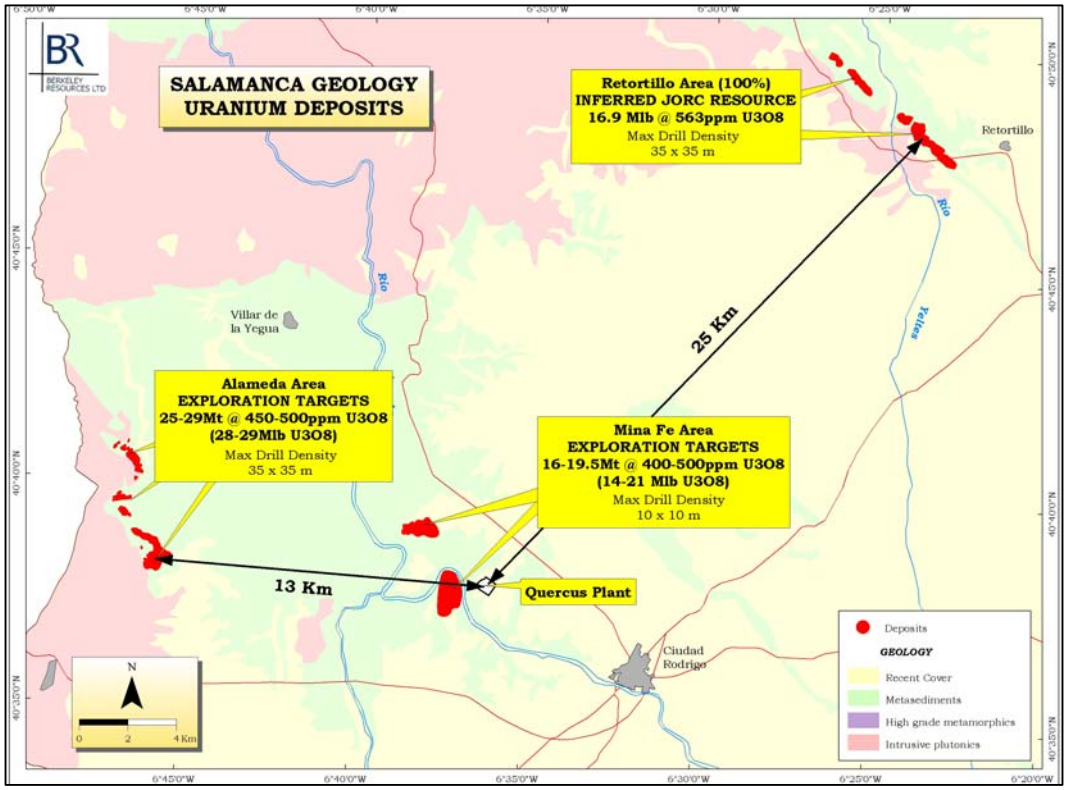


Figure 1 - Salamanca Uranium Project

Initial work has focussed on assessment of the scope and quality of the historical data and its potential to contribute to the feasibility study process, particularly in the mining and processing fields. Progress to date is described below.

The historical data will also lead to a new program of near mine exploration during the 18 months of the Project, with the aim of defining additional resources with the potential to extend mine life, or increase production.

A new wholly owned Spanish holding company – Berkeley Minera Espana SA (BME) - has been established to manage the Project and a number of international consulting companies have been engaged to assist with the Project, including:

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

A number of other consultants are under consideration for various roles over the Feasibility Study process.

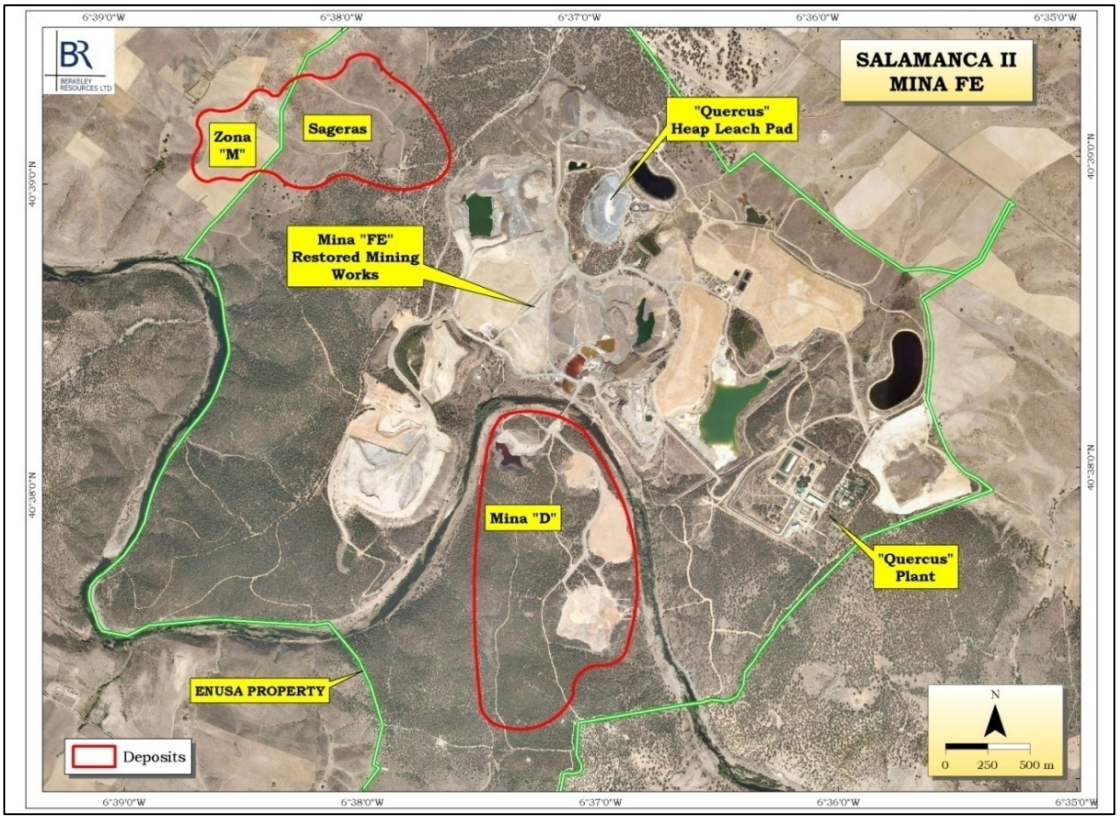


Figure 2 - Salamanca Uranium Project Mina Fe Area

Environmental Studies, Radiological Protection and Community Awareness

Environmental responsibility, radiological protection and community awareness, engagement and support are paramount considerations for the success of Berkeley's Salamanca Uranium Project. Environmental and Radiological Protection studies, which comprise a vital component of the Feasibility Study, will be been undertaken by Golder Associates and Ingemisa SA. Work during June included:

- Initial site reconnaissance was undertaken with ENUSA personnel, involving the Quercus Plant, tailings dam, restored areas of Mine Fe and the Sageras area.

- Accessing ENUSA's records of previous Environmental Assessments (Quercus Plant, Mina D, tailings dam), Ecological and Risk Assessment studies, Hydrological Studies, Restoration

Projects, Hydrogeological Monitoring, Quality Assurance Program and the Operational Program of Monitoring and Control of Water (superficial and underground).

- Hydrological and hydrogeological information for the Duero basin Hydrological Plan has been collected and reviewed, together with meteorological information for stations in proximity to the site.

The exiting environmental and radiological conditions of the site are being reviewed with the aim of establishing a mutually agreed environmental and radiological baseline for the property and protocols for the ongoing monitoring controls and reporting. This work will be completed by Berkeley, Golder Associates and Ingemisa.

A community engagement program was initiated.

Metallurgical and Processing

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

- Preliminary review of the current state of the installations.
- Review of the documentation made available by ENUSA, including:
    - Plant layout and equipment
    - Mass balances
    - Monthly /annual reports from the plant
    - Plant characteristics
    - Substation characteristics
    - Production and consumption data for the static (heap) leaching circuit

Work in the current quarter will include an initial review of the processing options by Kappes Cassiday and Aker Solutions, with a view to establishing the optimum process route for the feasibility study.

The Salamanca Uranium Deposits

ENUSA discovered six uranium deposits within its State Reserves, but mining was limited to the Mina Fe deposit and to shallow mineralisation in the Mina D deposit. Berkeley's feasibility study process will be focussed initially on the Mina Fe area deposits (including Sageras/Zona M and Mina D) and the Alameda deposits, and will also investigate opportunities to incorporate Berkeley's existing resources in the Retortillo area.

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

Berkeley gained access to ENUSA's data in early June and substantial progress was achieved during the month:

- 18GB (980 files) have been scanned in the ENUSA archive at Ciudad Rodrigo. The scanned data predominantly consist of historical reports, maps and drill logs. The most relevant information from these scans is being transformed into digital format and incorporated into Berkeley's data base.

- ENUSA has provided digital data including maps and drill hole data as well as resource model data for the main deposits under investigation.

- Ground radiometrics have been completed over the Sageras and Zona M deposits and extended to the west to cover a large radiometric anomaly apparent in the historic data. This anomaly remains open and follow up work will define its extent and source. (see exploration summary).

- Oblique aerial photography has been flown over most of the near mine area to provide a reference surface image.

- More than 250 drill collars have been surveyed at Sageras, Zona M and Mina D together with a number of tracks and buildings. This data will enable the transformation of the ENUSA local coordinates to the national UTM system.

- Down hole radiometric logging of open drill holes at Sageras commenced with the Berkeley gamma probe and comparisons from the first 17 holes indicate very good agreement with ENUSA data. The principal difference is in anomaly amplitudes, which reflects the difference in gamma probe tools used.

- ENUSA's extensive diamond drill core facility has been cleaned up and work is underway to identify core suitable for geological logging, chemical assay and density measurements.

- Approximately 60% of the roto percussion drill holes at Sageras and Mina D were originally surveyed with a down hole gyroscope and some show significant deviations at relatively shallow depths (50 to 70 metres). A selection of 12 holes, including deviated and non-deviated holes, were re-surveyed by Berkeley and these confirmed the hole deviations. A new program to have all the holes surveyed will commence this month.

- Geological mapping was commenced in the Sageras and Alameda areas.

- A provisional drilling program has been planned for the Sageras-M, Mina D and Alameda South deposits, and work programs lodged. These holes will provide material for comprehensive metallurgical testwork and geological data to guide resource calculations.

In addition to this activity, considerable effort has been devoted to investigating the resource models provided by ENUSA for the main deposits. Based on ENUSA's historical work, Berkeley has established **exploration targets totaling 16–19.5mt at 400-500ppm (for 14– 21.5mlbs of U3O8) for the Mina Fe area deposits**, all of which are located in close proximity to the Quercus processing plant.

In addition, Berkeley has previously established **exploration targets in the Alameda area of 25.5-29.0mt at grades ranging from 450-500ppm (approx 28-29m lbs of U3O8)**, based on ENUSA's historical calculations.

Details of ENUSA's historic work on these deposits is included in the 10 December 2008 Stock Exchange announcement.

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

The Mina Fe deposit(s) was largely mined and the pit backfilled and rehabilitated together with three shallow pits at Mina D. No mining has occurred in the Alameda area.

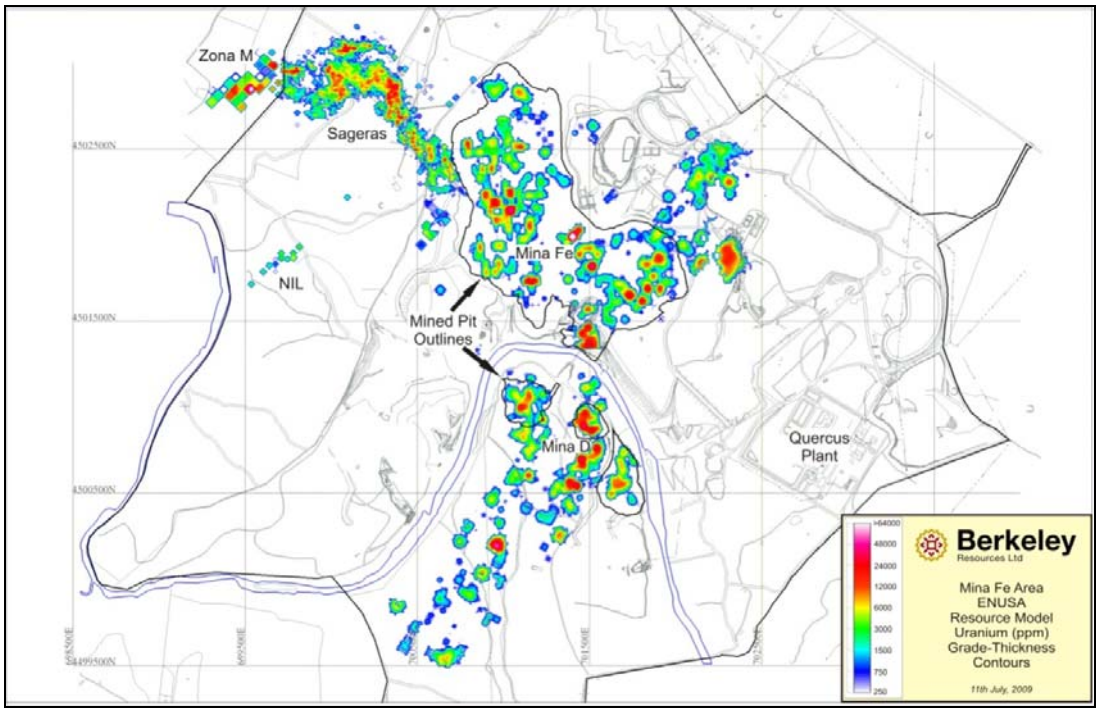


Figure 3 – Mina Fe Area Deposits

The Sageras-Zona M Deposit

The Sageras-Zona M deposit is interpreted as the North West extension of Mina Fe and is located within 3 km of the Quercus processing plant (see Figure 2). Sageras is the part of the deposit located inside ENUSA owned land (see Figure 3) and Zona M is the part located outside.

The mineralisation is hosted in Palaeozoic phyllites and metasediments and occurs at or close to the surface. It extends for a distance of about 1.5 km in a north-westerly direction from the restored Mina Fe open pit and occurs as a sub-horizontal body of continuous and semi continuous mineralisation ranging from 10m to 50m in thickness and from surface to 100m deep. It is open at depth in several areas (see Figure 5). The width varies from about 150m in the south east up to 300m in the North West. Surface topography is open, relatively flat and well suited for shallow open pit mining.

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

Despite no specific metallurgical testwork having been identified in the archives to date, the 2007 ENUSA Viability Study for the deposit does not contemplate any variation in the processing and mining routes from those employed at Mina Fe and D. This would indicate the metallurgical properties of mineralisation in the Sageras - Zona M deposit are very similar to those for ore mined in other portions of the mineralised system and is consistent with the geological continuity of the mineralisation.

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

The grade data supplied in digital form consists of a combination of chemical assays and e-grades; chemical assays for the diamond drill holes and e-grades generated from downhole radiometrics for the roto-percussion drill holes. For a more detailed discussion of the ENUSA drilling methods and uranium grades, please refer to Berkeley's Stock Exchange announcement of 10 December 2008.

The majority of the Sageras deposit has been drilled out on a 10m x 10m drill hole spacing by roto-percussion, whereas Zona M has been drilled out on a 50m x 50m spacing using diamond drilling. A complete set of 10 metre cross sections have been generated and geological interpretation has commenced. The ENUSA resource model is also being reviewed and a plot of grade-thickness contours for blocks greater than 200ppm is presented in Figure 4 below together with a typical section through the middle of the Sageras deposit showing grade contours in Figure 5.

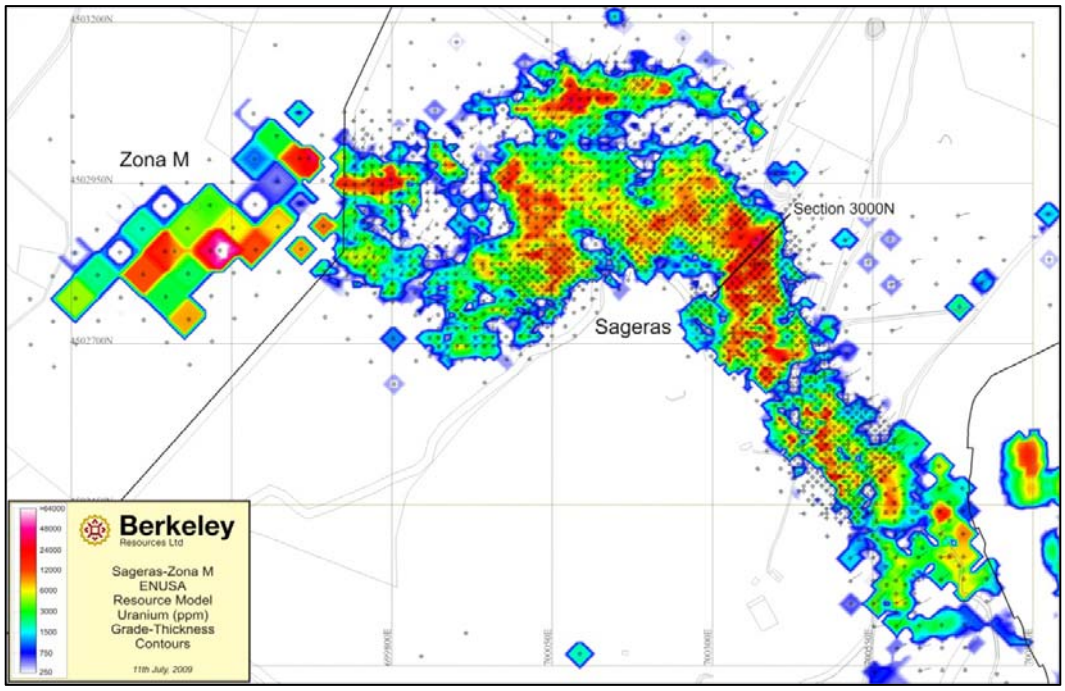
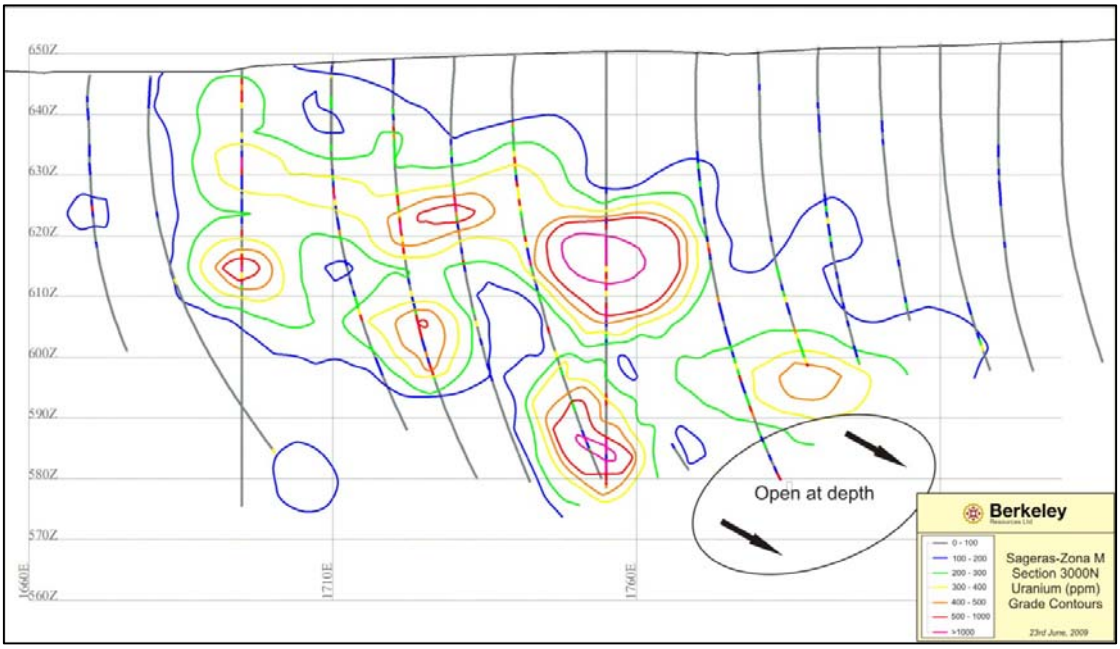


Figure 4 – Sageras and Zona M Deposits



Figures 5 – Sageras-Zona M Cross Section 3000N

The Mina D Deposit

The Mina D deposit is separated from Mina Fe by the Agueda River (see Figure 2) and was partially mined in 3 shallow open pits at its northern end by ENUSA in the 1990's. These pits are now restored.

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

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

Berkeley has also been supplied by ENUSA with a resource model for Mina D calculated by the University of Granada in 1991 (see Figure 6). This model is currently being reviewed. A complete set of cross sections have been generated and geological interpretation has commenced.

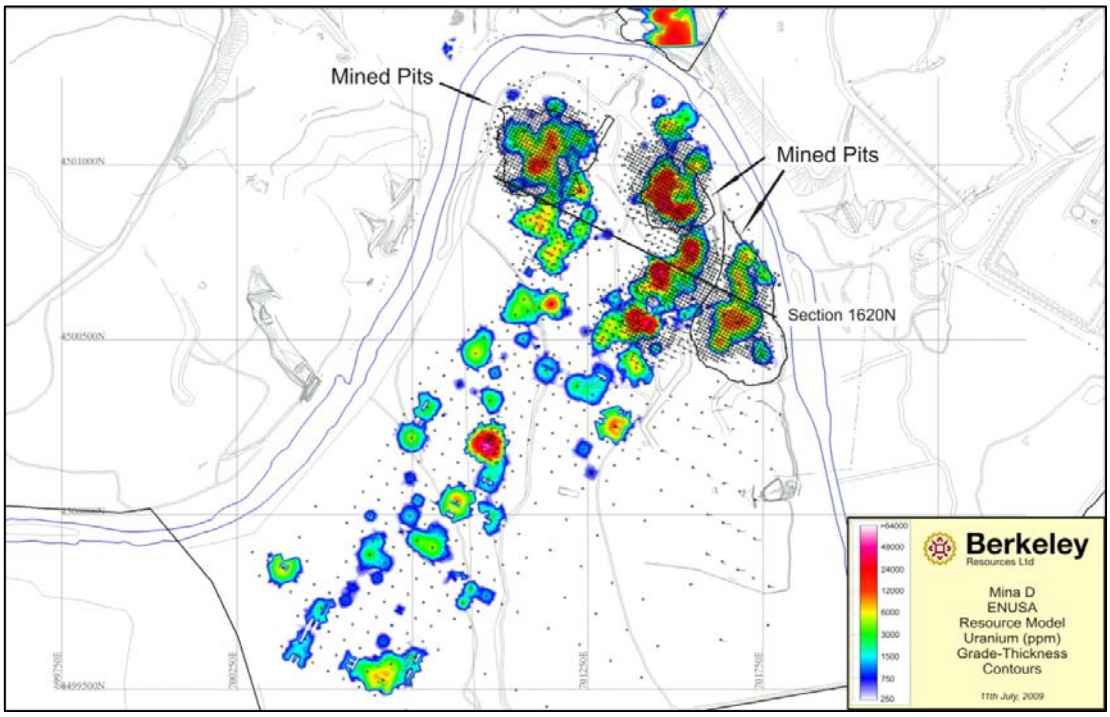


Figure 6 – Mina D Deposit

Figure 7 shows a plot of the grade contours on section 1620N

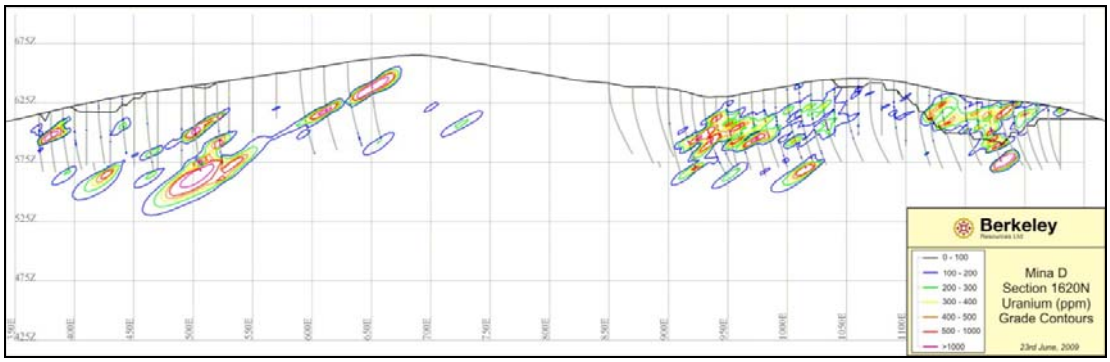


Figure 7 – Mina D Cross Section 1620N

The Alameda Deposits

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

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

Alameda South shows good continuity of mineralisation, generally within 100m of surface and a resource model estimated by the University of Granada in 1991 has been provided by ENUSA and is currently being reviewed. A plot of the grade-thickness contours for blocks greater than 200ppm is presented in Figure 8.

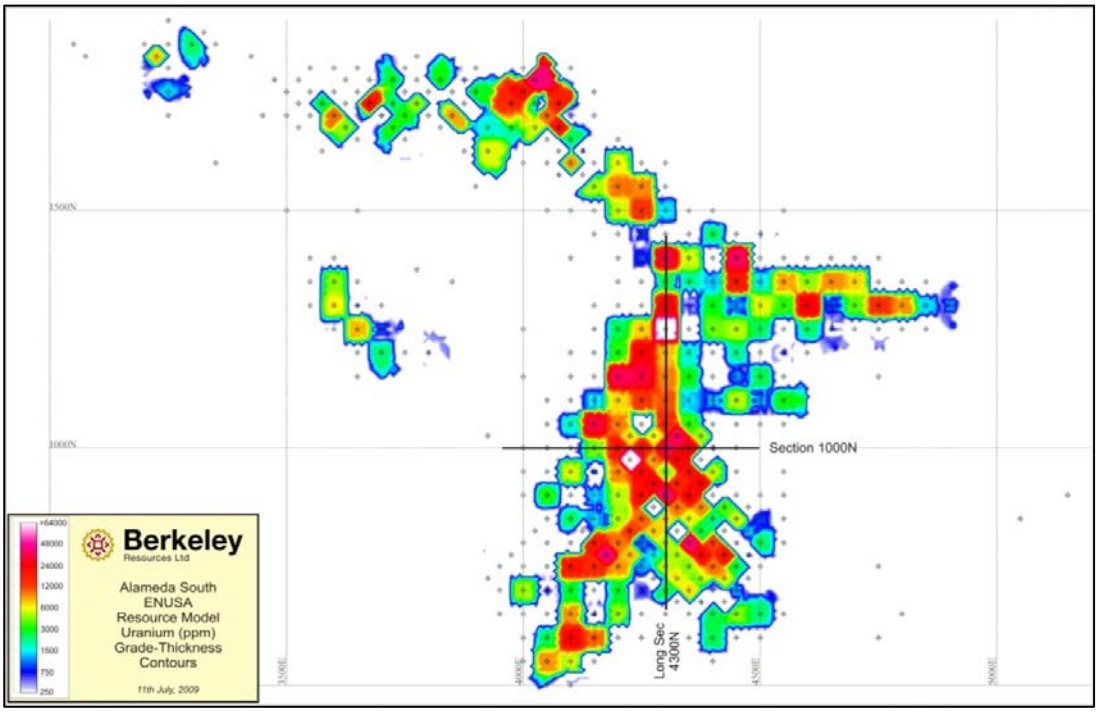


Figure 8 – Alameda South Plan

A cross section and long section for Alameda South are shown in Figures 9 and 10.

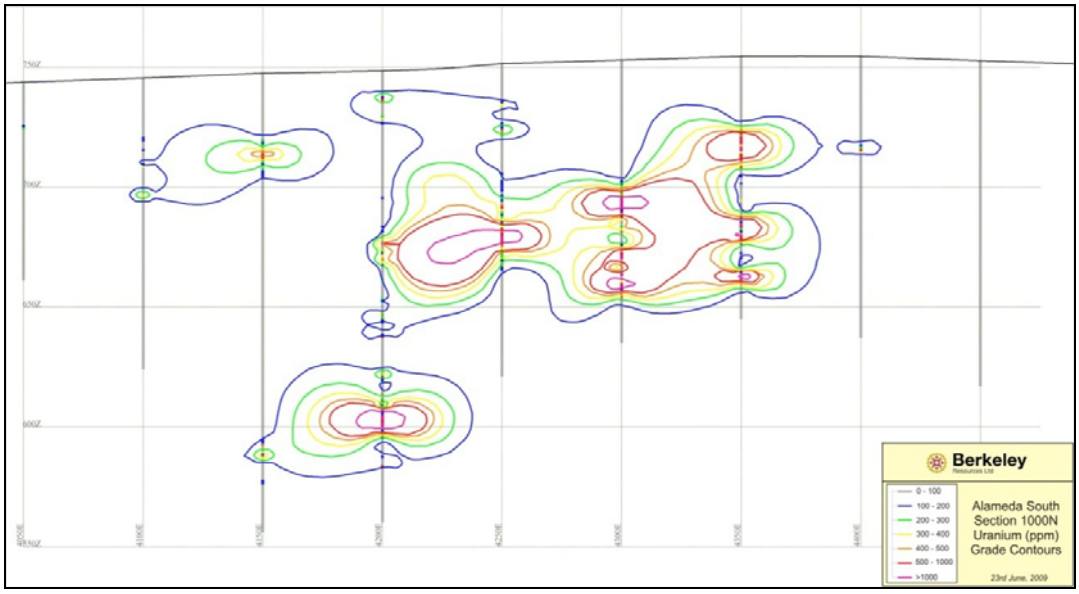


Figure 9 – Alameda South cross section 1000N

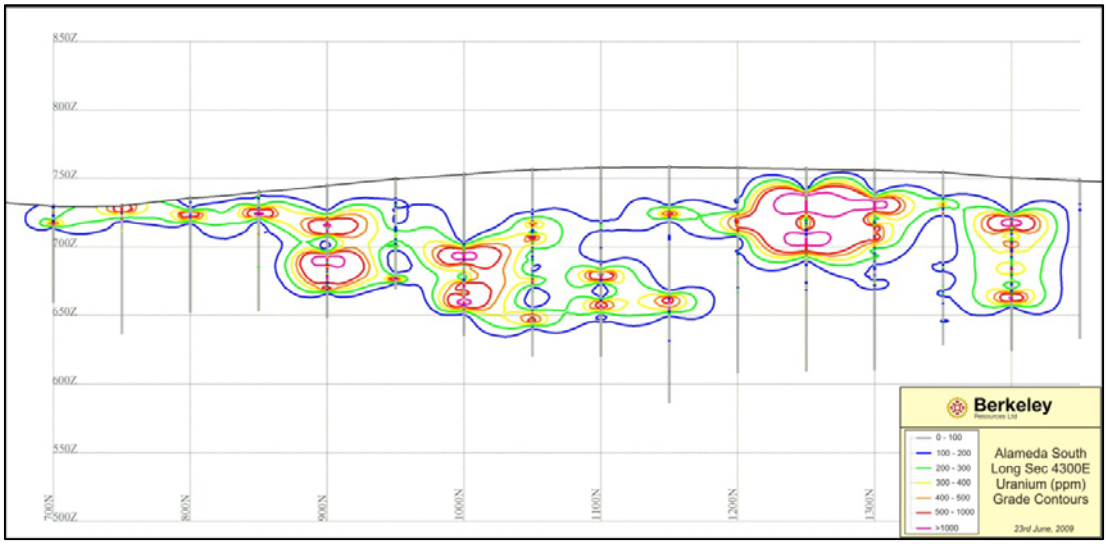


Figure 10 – Alameda South long section 4300E

Exploration Potential

As well as the deposits described above, ENUSA identified the Esperanza deposit and six other prospective areas through a combination of radiometrics and drilling: Marialba, Cuellar- Nil, Carpio, Gallegos, Barquilla and north of Zona M (see Figure 11). In addition, Berkeley's experience indicates the high prospectivity of extensive areas of favourable stratigraphy below Tertiary and recent cover, where radiometrics are ineffective.

All of these prospects have been located since gaining access to the ENUSA data and are shown in Figure 11. This figure shows the uranium channel from helicopter-borne radiometric data with the northern block flown by Berkeley in 2007 and the southern block by ENUSA in the late 1980's. The radiometric anomalies are underlain by fertile basement metasediments and coincide with the prospects. The fact that all of these targets were known before the airborne surveys highlights the efficiency of early ground radiometric prospecting in locating outcropping uranium mineralisation.

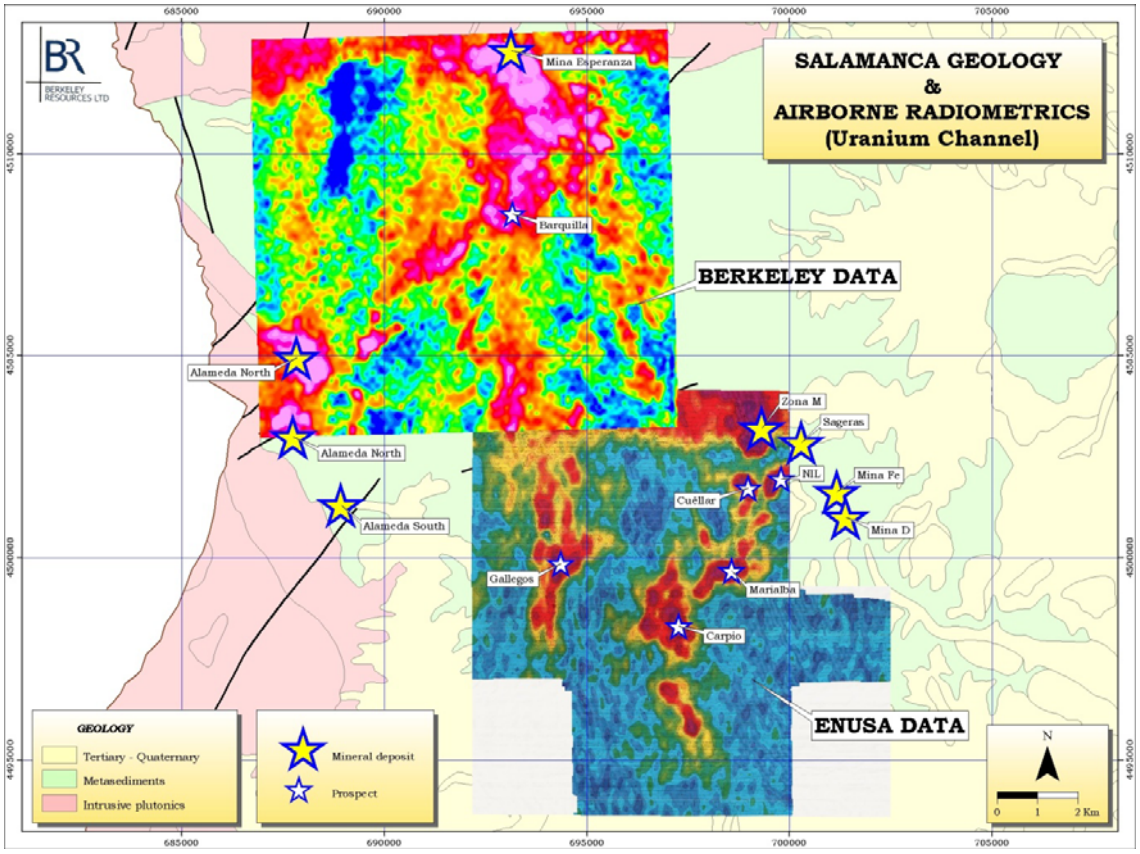


Figure 11 – Salamanca Geology & Airborne Radiometrics

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

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

Table 1 - Drilling summary historic exploration prospects

Ground radiometric surveys undertaken by Berkeley during June have located a large radiometric anomaly west of Zona M which remains open to the North West (see Figure 12).

The anomaly has been drilled in the past shown as blue dots on the map below. Some of these holes intersected mineralisation, but the drill data must be compiled and reconciled with surface mapping and radiometrics before the remaining exploration potential can be clearly understood.

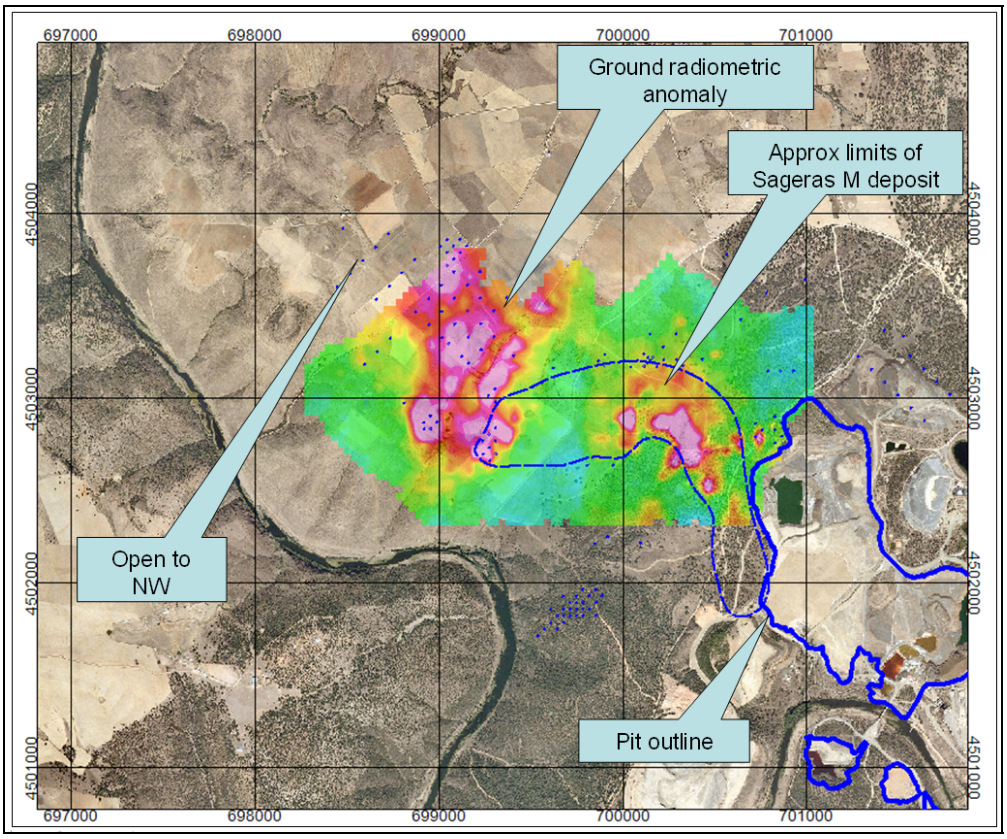


Figure 12 – Sageras-Zona M Ground Radiometrics

Metallurgical Testwork: Retortillo

Column leach testwork on two representative samples of "oxidized" (Top Composite sample) and "transition/fresh" (Bottom Composite sample) mineralisation from the Retortillo deposit was completed during the quarter with very encouraging results, as described below. Results for comminution, bottle roll, agglomeration and percolation tests on these samples, conducted by SGS Lakeside Oretest Pty Ltd in Perth, were reported in the March quarter.

The 60 day column leach tests were based on 4m columns, 100mm in diameter, with each containing about 60 kg of mineralisation crushed to 80% passing 10mm. The samples were agglomerated using about 25% of the anticipated acid consumption (based on bottle roll tests), to provide an acid "cure" and uniform exposure to acid within the loaded column.

Column leaching commenced on 9 March with an acid concentration of 2.5gpl, increasing to 4.0gpl on day 21, 6.0 gpl on day 36 and 10, 0 gpl on day 52. Ferric ion was added on day 21 with an immediate and substantial impact in both samples. After 42 days both the high grade Top Composite (1600ppm U3O8) and the lower grade Bottom Composite (500ppm U3O8) returned excellent recoveries (84% and 82% respectively) with acid consumption of only about 12.5 kg/t. By day 50 both recovery curves indicated about 84% recovery with about 15.5 kg/t acid consumption, and had developed an asymptotic trend that suggested maximum recoveries under those conditions.

The final increase in acid concentration on day 52, increased recovery in the Bottom Composite to 90% on day 60, but with acid consumption now 22.3 kg/t, and had only a marginal impact on the Top Composite with recovery at 85% for similar acid consumption. Progress assays on solutions during column leach test must estimate the U3O8 in loaded solution within columns and are therefore approximations. However, recoveries calculated after incorporating analysis of the column residues and wash solutions are higher by several percent. These final reconciled results are currently subject to checking, but nevertheless it appears that recoveries in the range of 80-85% with very moderate acid consumptions may be achievable.

Based on the column test data as reported, and assuming addition of Ferric iron at the beginning, the leach time in the Top Composite column appears to have been sufficient at Day 42, which would translate to around 50 days under typical field leach conditions for a lift height of 4 metres. This would increase to around 120 days for an 8-metre lift height.

Since the Bottom Composite was still leaching at the end of the 60-day laboratory period, field leach requirements are more difficult to determine and more information on optimum acid application is required However, based on the data to hand, a field leach time of some 80 days may be required for an optimum 4-metre lift, increasing to 200 days for an 8-metre lift.

Both samples agglomerated very well, although the higher fines content of the Top Composite required addition of 200 g/t of polymer binder along with sulphuric acid. Slumping in both tests was minimal and no issues with permeability were observed. The low mass loss from acid leaching of less than 2% indicates good heap stability and long-term permeability

The leach columns were washed over a 10-day period with the equivalent of 1.6 to 1.8 kL of wash solution per tonne of ore, starting with 0.3 to 0.4 kL/t of barren rinse solution at pH 1.5 then followed by 1.3 to 1.4 kL/t of deionised water. Compared to general standards for stock water supply (Australia and New Zealand water quality); uranium was washed down to an acceptable standard (0.2 mg/L). Vanadium levels remained higher (1.0 vs. 0.1 mg/l); however this may reflect the high acid dosage in the latter part of the tests. Aluminium values were well below the standards.

These encouraging column leach results for the two representative Retortillo samples open up the possibility of a heap leach operation providing additional U3O8 for final recovery at the Quercus plant.

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