

## Quarterly Activities Report – June 2010

Significant activity toward the initial Feasibility Study for the Salamanca Uranium Project (SUP) took place over the last quarter. Encouraging progress in all project areas has been achieved. Work focused mainly on tank leach metallurgical test work and Reverse Circulation (RC) drilling aimed at upgrading and extending the Mineral Resources announced in the first quarter.

The highlights for the quarter:

1. Uranium recoveries up to 94% from metallurgical tank leach tests for composite samples from Sageras, Palacios and Alameda South with a relatively coarse grind and low acid consumption
2. Recoveries of up to 87%  $U_3O_8$  in Bottle Roll Leach Test work (BRT) simulating heap leach characteristics in advance of the column leach test work
3. The Exploitation Plan for the SUP which includes the mining plan, reclamation plan, environmental and radiological study was completed and has been submitted to Berkeley's JV partner ENUSA
4. Commencement of the RC drilling program at Sageras, Palacios and Alameda South to upgrade resource categories and test for possible extensions. The 8,000m programme was 45% complete by the end of the quarter. Results to date confirm the resource models and have identified additional potential at Sageras where two holes have discovered a new mineralised zone, and at Alameda where initial chemical assay results are better than expected
5. Updated resources for Sageras and Alameda South and new pit optimisations and production schedules will be finalised in the 3<sup>rd</sup> quarter
6. The environmental and radiological baseline studies are approximately 60% complete and scheduled to be completed in the 4<sup>th</sup> quarter
7. Approximately five tonnes of "representative" core samples were selected for dispatch to SGS in Perth for column leach test work
8. A combined RC drilling and diamond drilling programme was planned and submitted to the Mines Department for the Retortillo and Santidad deposits

Berkeley Managing Director, Mr. Ian Stalker commented "The quarter has been an extremely productive period as we progressed the Salamanca Uranium Project. The very encouraging tank leach results indicating high recoveries at a coarse grind and low acid consumption add to our knowledge and assist in project design criteria and equipment selection. The infill resource and extension RC drilling programme is nearly 50% complete. The initial results are providing upside to the existing resource models and equally importantly enable upgrading of the Inferred resources at Alameda and Sageras."

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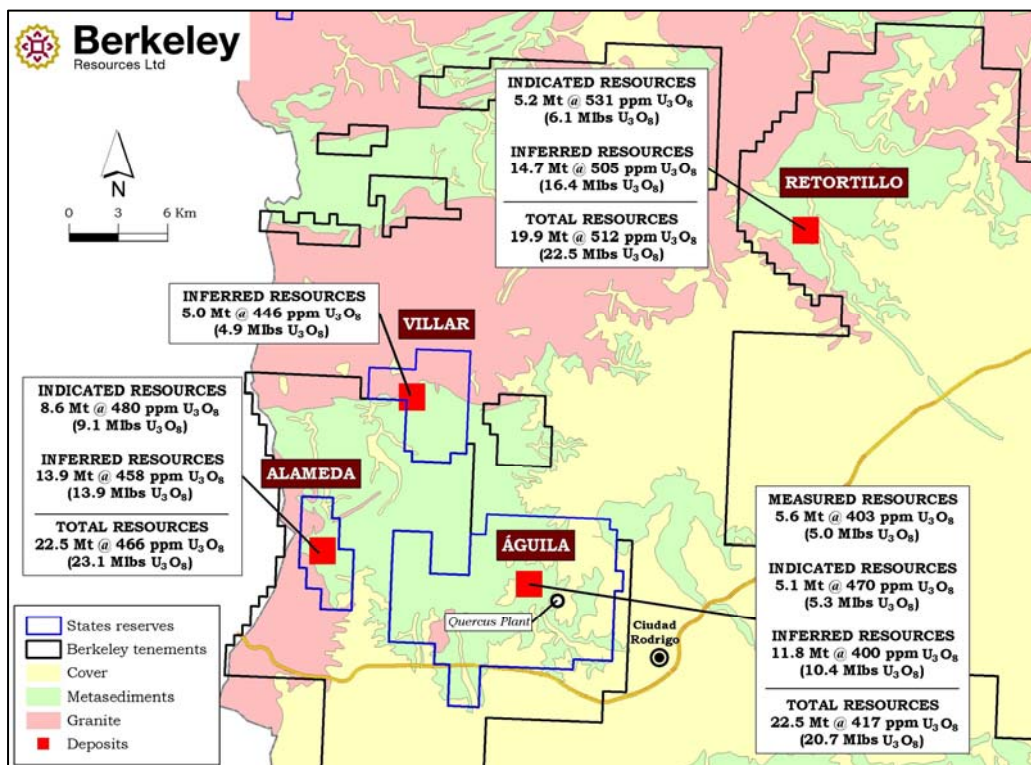


Figure 1 – Salamanca Uranium Project

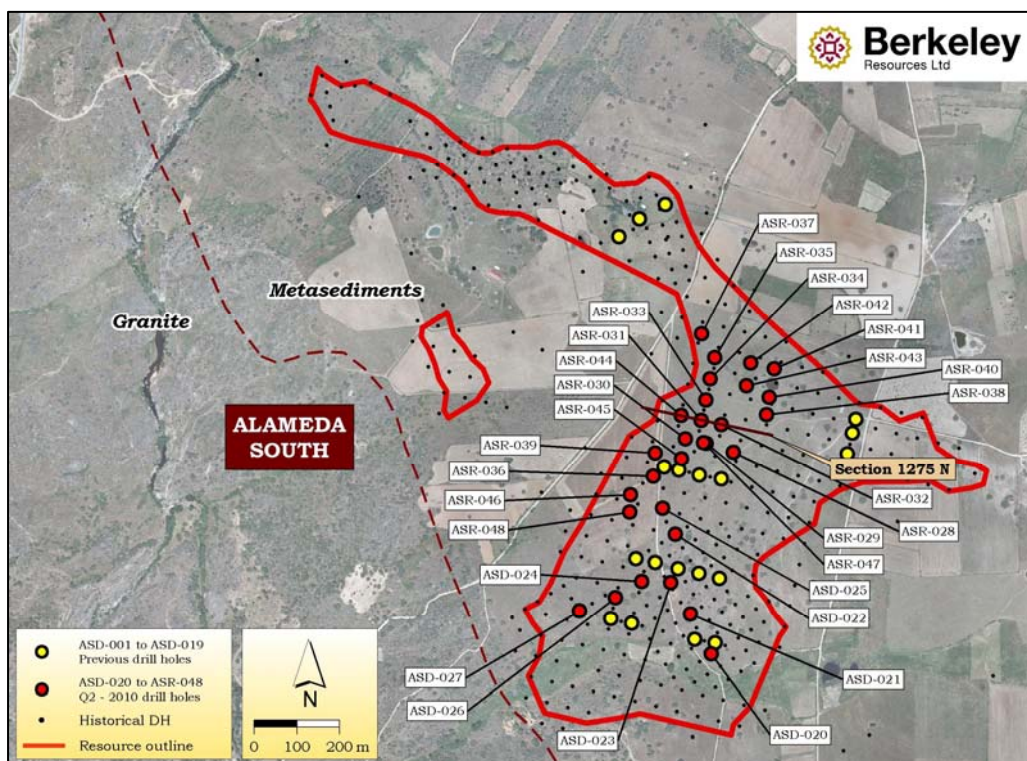
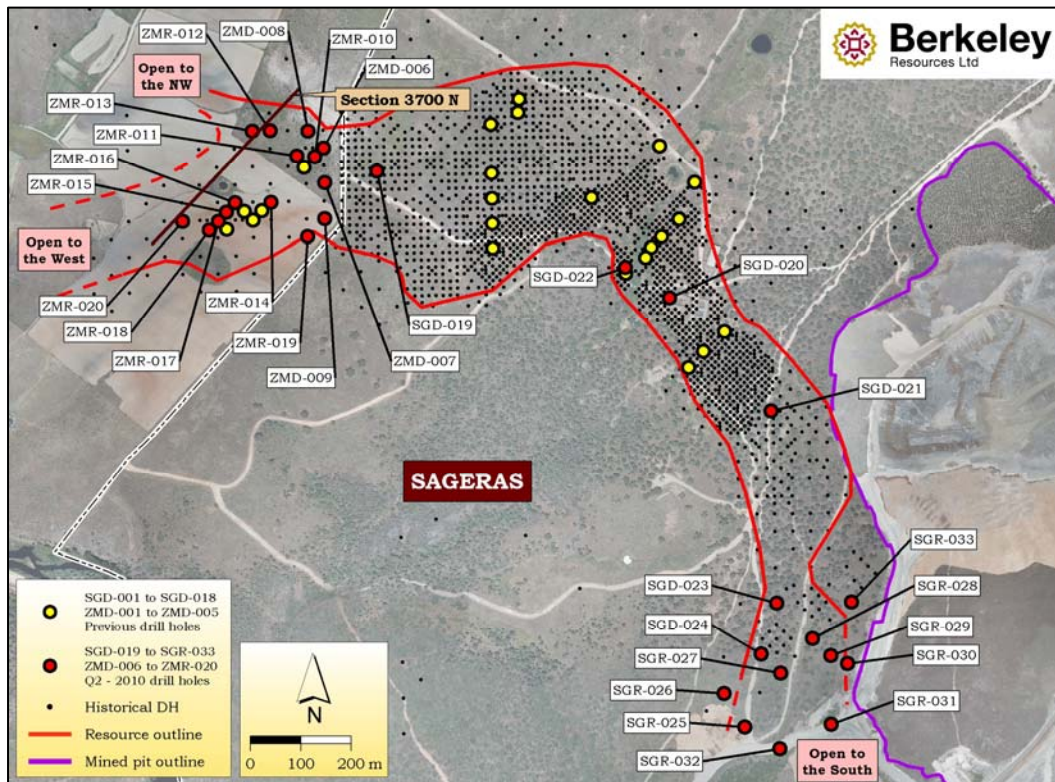
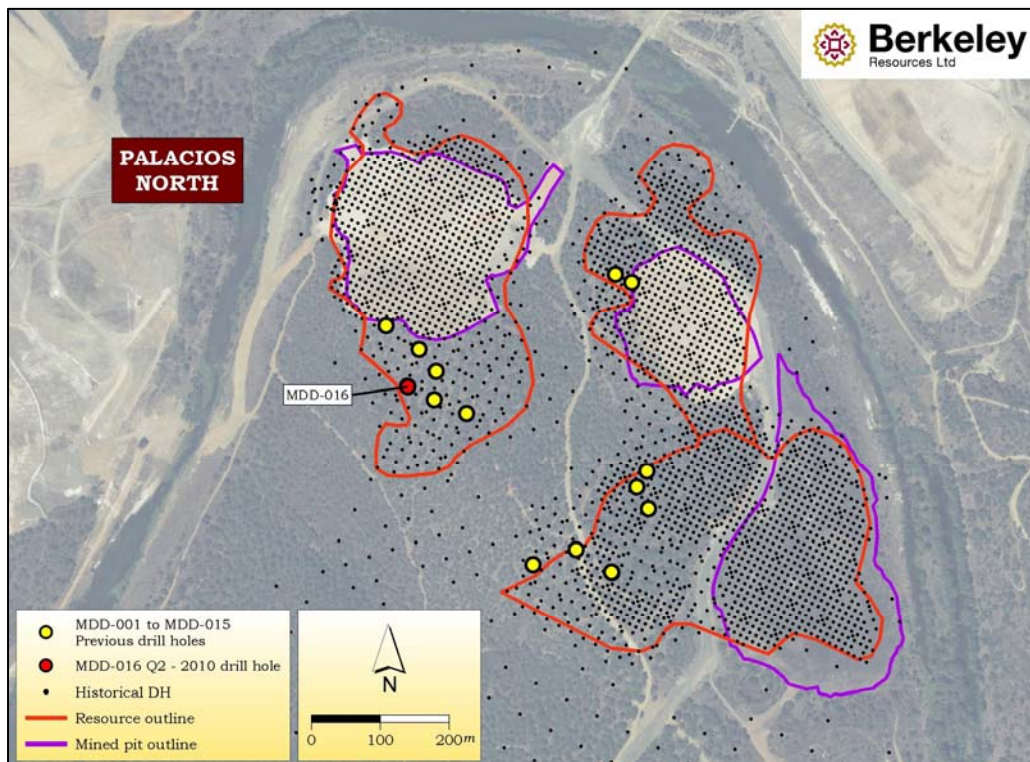


Figure 2 – Alameda South Drilling





**Figure 3 – Sageras Drilling**



**Figure 4 – Palacios Drilling**

## **Salamanca Uranium Project Feasibility Study**

Work towards the initial Feasibility Study is progressing well and is scheduled to be completed by the end of the year. The Feasibility Study is focussing on a tank leach scenario using the Quercus Plant to produce 2.1mlbs U<sub>3</sub>O<sub>8</sub> per year from the Sageras, Palacios and Alameda South deposit. The aim is to complete the study by the end of the year. Simultaneously, work is progressing to assess the heap leach options for these deposits and the satellite deposits at Retortillo.

### **1. Drilling Programmes**

Diamond and RC drilling operated continuously during the quarter for a total of 5,199m (Table 1) at Alameda South (Figure 2), Sageras (Figure 3) and Palacios (Figure 4). At the end of the quarter, four RC rigs and one diamond rig were operating.

***Table 1 – 2<sup>nd</sup> Quarter Drilling Totals***

Deposit	Q2 Drill Holes			Q2 Drill Metres		
	DDH	RC	TOTAL	DDH	RC	Total
Alameda South	8	21	29	885	2,182	3,067
Palacios North	1	0	1	78	0	78
Sageras	10	20	30	782	1,271	2,053
<b>Total</b>	<b>19</b>	<b>41</b>	<b>60</b>	<b>1,746</b>	<b>3,453</b>	<b>5,199</b>

This work addressed several objectives, as detailed below.

**Heap Leach Metallurgical diamond drilling** – approximately 1,100 metres of large diameter PQ diamond drilling at Sageras and Alameda was completed in May to generate additional material for metallurgical test work. These holes were not included in the Mineral Resource Estimates announced in the first quarter but the e-grades correlate well with the resource models and provide further confirmation of the historical drilling data.

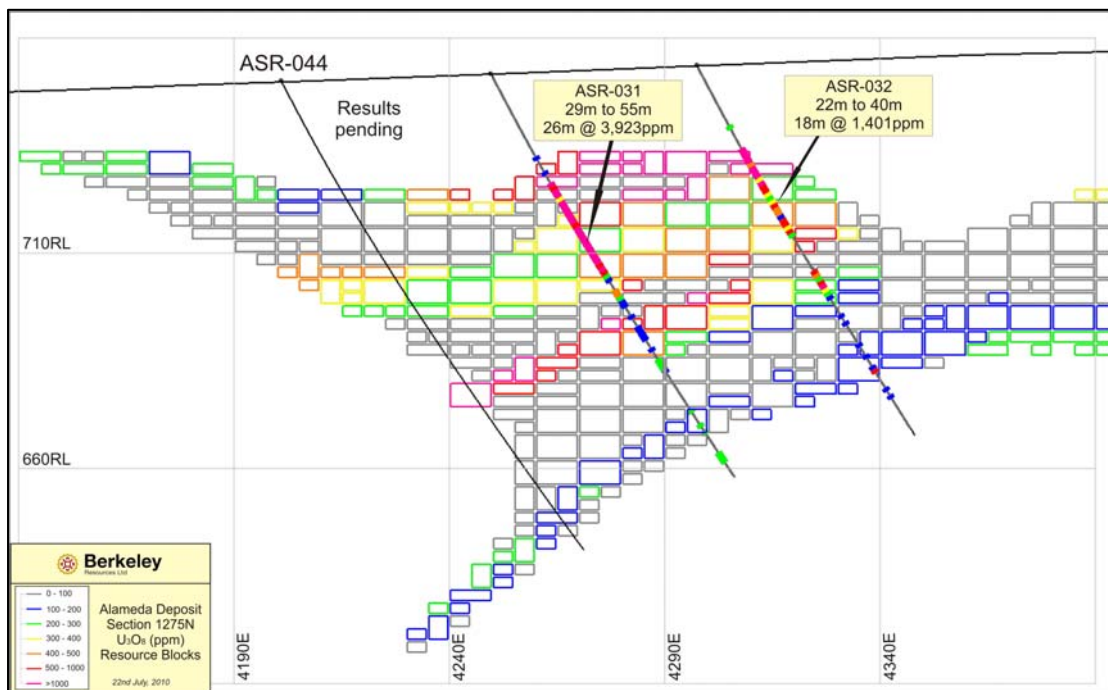
**RC Drilling** – approximately 8,000 metres of RC drilling commenced in June with the following objectives:

- To upgrade the current resource classifications from Indicated to Measured and from Inferred to Indicated
- To test for lateral and depth extensions of current resources
- To test a number of high priority targets identified by surface mapping and ground radiometrics, proximal to the existing resources

- To complete sterilisation drilling of the area to the north of Sageras where the conceptual waste dump and crushing facility have been located

This programme was approximately 45% complete by the end of the quarter and is scheduled to finish in early August. All of the RC samples are being sent to ALS Chemex in Vancouver for chemical analysis after preparation at the ALS Chemex laboratory in Seville. Down hole gamma readings are used to select the anomalous intervals to assay and the calculated e-grades on the completed holes are showing very good correlation with the resource model.

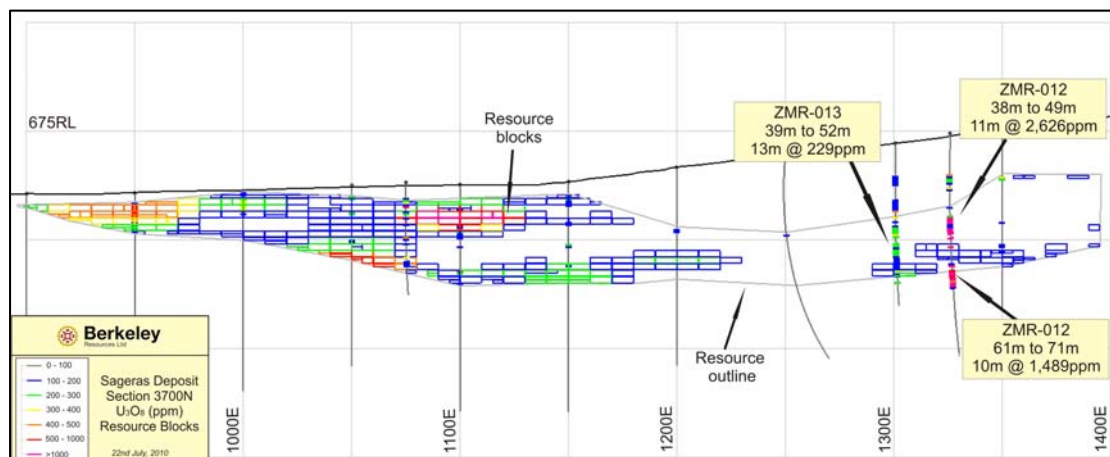
The initial chemical assay results indicate potential upside to the resource model at Alameda South with some high grade intersections returned in holes ASR-029 (28 – 63m, 35m @ 2,044ppm  $U_3O_8$ ), ASR-031 (29 – 55m, 26m @ 3,923ppm  $U_3O_8$ ) and ASR-032 (22 – 40m, 18m @ 1,401ppm  $U_3O_8$ ). Figure 5 shows a cross section through the deposit with holes ASR-031 and ASR-032 superimposed over the resource model blocks from the previous resource estimate.



**Figure 5 – Alameda South Cross Section 1275N**

At Sageras, two RC holes have identified a new mineralised zone that appears to be open to the north-west (Figure 3). Hole ZRC-012 intersected very high grade mineralisation from 44m depth over a 3 metre interval grading 7,027ppm  $U_3O_8$  (Figure 6). This intersection will be followed up by further RC drilling in the next quarter.





**Figure 6 – Sageras West Cross Section 3700N**

A list of notable intersections for the quarter is shown in Table 2. The diamond drill holes are presented as  $eU_3O_8$  grades calculated from down hole radiometrics whereas the RC holes are presented as  $U_3O_8$  chemical assays.

**Table 2 – Notable Intersections**

Deposit	Hole ID	From (m)	To (m)	Interval (m)	$eU_3O_8$ (ppm)
Alameda South	ASD-020	22.7	24.7	1.9	4,814
Alameda South	ASD-021	16.5	21.9	5.4	2,439
Alameda South	ASD-023	37.3	42.6	5.3	3,142
		68.3	71.0	2.7	1,934
Alameda South	ASD-024	73.4	83.6	10.2	1,048
Alameda South	ASD-026	30.8	41.7	10.9	1,047
		92.8	98.2	5.4	1,239
Alameda South	ASD-027	62.3	67.3	5.0	1,086
Sageras	SGD-020	21.9	24.1	2.2	3,747
		25.2	28.8	3.6	4,925
Sageras	SGD-021	47.3	49.0	1.7	2,963
Deposit	Hole ID	From (m)	To (m)	Interval (m)	$U_3O_8$ (ppm)
Alameda South	ASR-029	28	63	35	2,044
Alameda South	ASR-031	29	55	26	3,923
Alameda South	ASR-032	22	40	18	1,401
Sageras West	ZMR-012	38	42	4	1,461
		44	47	3	7,027
		63	71	8	1,716

A full table of intersections for the quarter is included in the Appendix. They have been calculated using a nominal 200ppm lower cut-off and a minimum thickness of at least 1m. All intersections correlate well with the historical drill hole data in both thickness, location down the hole and grade.

## **2. Metallurgical Test Work**

During the quarter further representative samples taken from diamond drill core from the Palacios, Sageras and Alameda South deposits were sent to the SGS Metallurgical laboratories in Perth, Australia to continue the ongoing testwork supervised by Orway Mineral Consultants Pty Ltd of Australia.

The first phase of the testwork campaign commenced in March 2010 and has been focused on optimising the process conditions for treating the uranium ore lithologies at Sageras, Palacios and Alameda in a tank leach configuration. Phase 1 is scheduled to be completed in the 3<sup>rd</sup> quarter 2010 with the following testwork in progress:

- Preliminary mineralogy on various ore types
- Comminution (crushing and grinding)
- Tank leaching
- Heap leaching
- Engineering Data
- Geotechnical and geochemical testing of the final process residues and
- Effluent neutralisation

The initial results can be found in the Berkeley announcement – Metallurgical testwork update released on the 7<sup>th</sup> June, 2010.

### ***Mineralogy***

QEMSCAN mineralogy on composites of the ores from Sageras, Palacios and Alameda has revealed:

- The Sageras uranium minerals have a finer grain structure (< 20 microns) and are predominantly coffinite with a lesser quantity of uraninite
- In Palacios, the uranium minerals have a coarse grain structure (20 - 50 micron) with uraninite dominating and lesser quantities of coffinite, often intergrown
- The Alameda uranium minerals are medium grained in between Sageras and Palacios in grain size and have an almost equal distribution between uraninite and coffinite

On the basis of these results, Palacios has the best leaching characteristics probably because the uraninite is more amenable to leaching than coffinite and coarser grains have more exposed surfaces available to leaching.

### ***Comminution***

A second batch of metallurgical test work samples consisting of 1,274kg of diamond drill core was sent to SGS in June for detailed comminution test work. This followed a review of the historical comminution flow sheet which showed that a significant uranium concentration can be achieved in a crushing and wet scrubbing process. This test work commenced during the quarter and is aimed at determining additional comminution data associated with crushing, scrubbing and ball milling. In conjunction with this test work, other physical concentration and gravimetric processes will be examined. These include:

- flotation (oxide and sulphide)
- spirals
- various gravity processes

### ***Agitated Tank Leaching***

Leach tests are on going on bulk composite samples:

- Alameda and Palacios continue to yield high leach extractions of uranium of 93 – 94% in batch leaches with modest sulphuric acid consumptions of 18 – 23 kg/tonne of ore
- The leach extractions for the Sageras composite are typically 87 – 88% at acid consumptions below 10 kg/t
- All the above results have been achieved at a grind size of P100 ~1.5 mm, at a temperature of 20°C with very low oxidant requirements of 1 – 2 kg/tonne of commercial pyrolusite
- The leach-end slurries were amenable to vacuum belt filtration with acceptable treatment rates. This development will permit the disposal of “dry tailings” resulting in reduced environmental issues

### ***Bottle Roll Leach Tests (BRT)***

During the quarter a parallel static heap leach test work programme commenced to explore the amenability of ore to heap leach. This work started with a suite of intermittent bottle roll tests as a precursor to future column tests, scheduled to start in the 3<sup>rd</sup> quarter.

The initial bottle roll test have provided an encouraging response for all ores with Sageras at 82%, Palacios at 85% and Alameda at 87% average extractions of uranium.



The consulting group Kappes Cassidy are supervising the heap leach test work after selecting over 5,000kg of diamond drill core from the Alameda South deposit. This material will be dispatched to SGS Perth in July. The first one metre column tests are due to start in August with initial results expected in October.

### **3. Environmental Studies**

One of the most important components of the Feasibility Study is to establish the Environmental Baseline Study conditions at all of the project sites. This work is being co-ordinated by Golder Associates with most of the studies commencing during the 1<sup>st</sup> quarter. In general, the work is progressing very well with regular monitoring continuing during the quarter and it is on track to be completed by the end of the year.

- **Land-use and landscape.** Berkeley retained AIA Consultants to perform the landscape characterisation study. The study commenced in March and the final report is due by the end of July. A soil sampling program was initiated and samples were collected in May. The samples are being analysed at the laboratory of the University of Cantabria for a comprehensive suite of parameters
- **Climate and Meteorology.** A weather station has been installed by INGEMISA in Alameda and it is now working as intended with data being collected and managed by INGEMISA. Historical data will be purchased for nearby weather stations from AEMET (Agencia Estatal de Meteorología). Several locations have also been selected at Aldea del Obispo, Castillejo de Martín Viejo, Ciudad Rodrigo, Fuentes de Oñoro, Gallegos de Argañán, Saelices el Chico and Villar de Argañán. Work is progressing as planned
- **Air Quality.** The air quality monitoring program has been developed based on 9 preliminary monitoring points for sedimentable particles (6 in Sageras and Palacios and 3 in Alameda). Scheduled monitoring of dust particles will commence once the agreements with the landowners have been cleared. Samples will be analysed at INTERLAB for physical/chemical parameters and at EICHROM for radiological parameters
- **Noise.** The noise monitoring program has been planned based on a total of 18 monitoring points for baseline noise levels, 12 in Sageras and Palacios and 6 in Alameda. The first monitoring campaign was completed by Berkeley and Golder in April and the next monitoring campaign will be performed in October.
- **Surface Water Quality.** The surface monitoring program has been developed based on a total of 7 surface water monitoring points in the area of Sageras and Palacios and 3 surface monitoring points in Alameda. Monitoring is being

undertaken by Berkeley under the supervision of Golder Associates and sample analysis is done by AGQ laboratories in Sevilla. The first monitoring campaign was performed in February with ongoing bi-monthly sampling programmes. The results from the first campaign indicate no relevant affection of surface water. In addition, samples of the ENUSA discharge has been taken and sent for analysis

- **Groundwater Quality.** The groundwater monitoring programme includes publicly available information from wells and springs in nearby villages. In addition, Golder has established 6 groundwater monitoring points in the area of Sageras and Palacios and 3 groundwater monitoring points in Alameda. Monitoring is being undertaken on a quarterly basis during 2010 with the first campaign completed at the end of March. Sampling and analysis of groundwater is continuing as planned
- **Flora and Fauna.**
  - The study concerning aquatic flora, fauna and sediments studies has been appointed to IPROMA SL. The scope of works includes surveying and sampling in Alameda, Sageras and Palacios
  - The study concerning vegetation and flora studies for the areas of Alameda and Sageras/Palacios has been appointed to the Catedrático Botanical University of Salamanca. A literature study over the areas was performed in March/April and the field campaign started in April (weekly site visits have been planned until July). The final reports are expected in July
  - The study concerning fauna (mammals, fish, and reptiles) has been assigned to the University of Salamanca. The study started in May and the final report is expected in August
  - The study concerning local birds has been assigned to Estudios Zoológicos Iberia SL. The final report will be delivered by end July. The study includes a special focus on the Black Stork
- **Socio-Economic Baseline.** The Socio-Economical Baseline study has been assigned to the Geography Department at the University of Salamanca. The scope of the study includes a compilation of baseline socio-economical data, spatial planning aspects and traffic. The study also includes Phase I of a social acceptance study (identification of relevant target groups and the design of a suitable format of a survey). During May, Golder Associates has discussed the ESIA process and the public consultation processes in relation to the Berkeley Public Relations Strategy in order to co-ordinate the two efforts. A selection process for a potential PR consultant has been initiated.

#### **4. Radiological Studies**

The radiation assessment for the Feasibility Study is being conducted by an Australian consulting company, Paulka Radiation & Environment. All methodology employed in the assessment has been based on international standards recommended by the International Atomic Energy Agency (IAEA) and the International Commission of Radiological Protection (ICRP). These bodies are recognised by the European Union as the standard for radiation protection. In addition, recommendations from international best practice guidance material have been incorporated where applicable.

The first part of the assessment has been the design and implementation of a baseline monitoring program to characterise the current radiological aspects of the project. The monitoring programme includes parameters for radionuclides in dust, radon, gamma dose, radionuclides in soils, ground and surface waters and biota. The baseline monitoring programme commenced in February 2010 and is approximately 50% complete. During the quarter the following monitoring was conducted:

- The second round of surface water sampling was completed and results received for the first and second rounds
- Water samples were collected from public fountains and results received.
- Groundwater samples were collected as part of the hydrogeological pumping tests and partial results were received
- Soil samples from the various landform types were collected in collaboration with the soil and landscape consultants, analytical results are pending
- Quarterly continuous dust deposition, radon and gamma radiation monitoring commenced
- Aquatic plants, fish and river sediments were collected by the Flora & Fauna consultants, analytical results are pending

Analysis of these results will occur in the 3<sup>rd</sup> quarter. The remainder of the assessment will involve the identification and quantification of any radiation risks the project may have with regard to workers, the public and the environment. The assessment will recommend design and institutional control mechanisms that will assist in keeping radiation doses optimised to As Low as Reasonably Achievable (ALARA). The results of the radiation assessment will feed into the Feasibility Study, the Environmental Impact Assessment and applications for authorisations to operate.

During the quarter the following radiation assessment tasks were undertaken:

- Collation and analysis of historic radiological data provided by ENUSA. This is now ready for reporting; and

- Development of draft radiation design criteria for the mining and processing engineering teams for inclusion in the Feasibility Study

The majority of the radiation risk assessment has been scheduled for completion during July and August with the final report to be issued in the 4<sup>th</sup> quarter.



**Figure 7 – Dust, Gamma and Radon monitoring in Saelices el Chico**

## **5. Water Management**

The water management programme is progressing well with a significant amount of fieldwork undertaken during the quarter. The long term groundwater monitoring at Alameda and Sageras is continuing and the short term low rate hydraulic testing is ongoing at Sageras, Palacios and Alameda as well as groundwater tracer tests. Conceptual hydrogeological models have been developed for each deposit:

- Palacios – Permeability (K) of  $10^{-7}$  m/s will result in 400kl/day groundwater inflows to the pit which are very low and should be easily manageable by pumping with most water being evaporated.
- Sageras – K between  $10^{-7}$  and  $10^{-6}$  m/s will result groundwater inflows between 400 to 2,000kl/day. Flows may be higher in Tertiary covered areas ( $10^{-5}$ ) where extra flows of up to 300kl per day may be intercepted. However, surface water can easily be diverted around the open pit.



- Alameda – K from  $10^{-6}$  and  $10^{-8}$  m/s resulting in flows from 600 to 2,500 kl/day.

These results show that ground water inflows to the open pits should not be excessive and will be easily managed during mining activities.

This on-going work and the results derived are currently being used to complete the water balance and dewatering planning aspects of the water management study.

## **6. Waste Characterisation**

The waste characterisation programme is a critical part of the Feasibility Study process as all potential waste material types must be identified, classified and characterised as part of the exploitation application process. This programme is being supervised by Golder Associates and is on schedule although it is dependent on the availability of the residue samples from the metallurgical test work being undertaken at SGS in Perth. These samples are expected to become available in July after which characterisation of the samples can be initiated.

During the quarter, a review was conducted of the anticipated waste rock characteristics based on information on the site geology and mine planning. Forty five waste rock samples (Sageras, Palacios and Alameda, five weathering stages and eight lithologies) were selected by Berkeley geologists and reviewed by Golder Associates, before being shipped to SGSCEMI in Vancouver for geochemical characterisation tests including:

- mineralogical analysis by XRD
- chemical assay
- acid base accounting (ABA)
- net acid generation (NAG) testing
- radiological analysis

After completion of the initial testing and review of the analytical results, subsets of these samples were submitted for static leach testing (SPLP) and analysis of NAG leachates. After a review of the leach test results, a smaller subset will be submitted for kinetic testing (HC-tests).

In addition, eight residue samples (seven leach products and one water treatment plant residue) and seven feed samples were selected from the tank leach test work program at SGS in Perth for geochemical characterisation. More residue samples will become available by the end of July and these will undergo the geochemical characterisation tests listed above. After completion of the July testing and review of

the analytical results, a subset of these samples will be submitted for analysis of NAG leachates and kinetic testing.

## **7. Mining Studies**

A considerable amount of work was undertaken during the quarter following the announcement of the Mineral Estimates at the end of March. Pit optimisations were completed for various processing and production options and operating costs were further refined following discussions with a number of mining contractors.

A summary of the mining studies undertaken during the quarter include:

- The first draft of the Feasibility Study geotechnical report was received from AMC Consultants (UK) which included the configuration of bench batter angles and berm widths. The new overall pit slope angles range from 45° to 50° resulting in potentially lower strip ratios.
- AMC Consultants (UK) has completed updated pit optimisations for Palacios, Sageras and Alameda South. The optimisations used more accurate operating costs after further contact with potential mining contractors, new geotechnical parameters and a U<sub>3</sub>O<sub>8</sub> price of US\$60 per lb.
- Detailed pit designs for all three deposits commenced using the new pit slope and optimised pit shells and will be completed in July.
- A detailed mining schedule has been developed based on the latest processing plant requirements and using the updated pit optimisation results.
- A review of the potential waste dump locations was undertaken during the quarter and conceptual designs for the dumps and tailings management facility were completed by Golder Associates.
- Trade off studies are underway to look at the cost benefits of an “owner operated fleet” as opposed to using a mining contractor.
- The January 2008 Scoping Study pit optimisations for Retorillo and Santidad were incorporated into the overall mining schedule.

## **8. Process Engineering**

During the quarter, work began on interpreting the test work results and constructing the basic engineering package for more detailed design by Aker Solutions. The package components include:

- Basis of Design - testwork interpretation into design data
- Process Flow diagrams - reflecting the flowsheet details
- Mass Energy Balance - for the concentrate and metallurgical plants
- Mechanical Equipment List
- Motor / Starter List
- Plant Layout - plot plans
- Operating Cost Model

The final engineering data will be delivered to Aker Solutions in the 3<sup>rd</sup> quarter for review and incorporation into the Feasibility Study. Aker Solutions has also commenced several trade off studies related to the process plant.

## **9. Permits and Licensing**

An application was submitted to the Salamanca Mines Department for infill and extension RC drilling at the Retortillo and Santidad deposits. The main objective of the drilling campaign is to upgrade the Inferred resources into Indicated and Measured categories. In addition, 15 diamond drill holes were planned to provide sufficient material for metallurgical heap leach test work. Table 3 gives a breakdown of the number of holes and metres to be drilled at each deposit.

***Table 3 – Retortillo/ Santidad RC Drilling***

Deposit	Hole Type	Metres	Holes
Retortillo	RC	8,465	144
	DDH	635	9
Santidad	RC	3,445	59
	DDH	335	6
Total	RC	11,910	203
	DDH	970	15

Work continued during the quarter on the mining exploitation plan which will be submitted to ENUSA in the next quarter. The Exploitation Plan is the preliminary document that initiates the permitting process and it includes:

- Mining Plan
- Reclamation Plan
- Environmental Study
- Radiological Study



## 10. Appendix

### Palacios Diamond Drill Hole Intersections (e-grades)

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)	From (m)	To (m)	Interval (m)	eU <sub>3</sub> O <sub>8</sub> (ppm)
MDD-016	701093	4500820	633.0	78.45	118	-80	57.1	60.7	3.6	289
							68.0	69.1	1.1	2,589

### Sageras Diamond Drill Hole Intersections (e-grades)

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)	From (m)	To (m)	Interval (m)	eU <sub>3</sub> O <sub>8</sub> (ppm)
SGD-019	699792	4502947	679.5	87.81			30.6	36.9	6.3	712
							40.9	43.0	2.1	1,137
							43.6	44.7	1.1	2,207
							46.0	49.4	3.4	451
							50.5	53.4	3.0	1,290
SGD-020	700372	4502695	645.4	63.20			5.0	6.1	1.1	621
							21.9	24.1	2.2	3,747
							25.2	28.8	3.6	4,925
SGD-021	700574	4502470	656.1	70.00			31.7	35.2	3.5	463
							40.8	42.0	1.2	400
							43.5	44.6	1.2	1,595
							47.3	49.0	1.7	2,963
							56.9	58.0	1.1	2,189
SGD-022	700285	4502755	643.1	139.25	50	-50	12.1	14.4	2.4	1,074
SGD-023	700585	4502088	654.8	42.20			NOT MINERALIZED			
SGD-024	700554	4501987	649.8	41.15			NOT MINERALIZED			
ZMD-006	699686	4502992	683.6	84.00			NOT MINERALIZED			
ZMD-007	699688	4502924	679.8	100.20			53.6	56.7	3.1	355
							65.5	66.7	1.2	463
ZMD-008	699655	4503027	684.1	83.70			29.0	33.6	4.6	329
							57.2	59.5	2.2	687
ZMD-009	699689	4502852	678.6	70.80			39.3	41.1	1.8	393

### Sageras RC Drill Hole Intersections (chemical assays)

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)	From (m)	To (m)	Interval (m)	U <sub>3</sub> O <sub>8</sub> (ppm)
ZMR-010	699668	4502976	680.1	88.00			44	47	3	242
							50	51	1	209
							53	54	1	435
							61	65	4	337
ZMR-012	699580	4503027	674.2	103.00			19	20	1	483
							21	23	2	239
							25	26	1	321
							38	42	4	1,461
							44	47	3	7,027
							48	49	1	1,633
							52	53	1	1,046
							61	62	1	1,135
ZMR-013	699545	4503026	669.6	75.00			63	71	8	1,716
							31	32	1	441
							34	35	1	349
							39	44	5	270
							46	48	2	255
							49	52	3	263
							58	60	2	348
							64	65	1	253

### Alameda Diamond Drill Hole Intersections (e-grades)

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)	From (m)	To (m)	Interval (m)	eU <sub>3</sub> O <sub>8</sub> (ppm)
ASD-020	689214	4500696	733.5	70.00	103	-60	0.4	2.9	2.5	927
							3.6	4.8	1.2	334
							13.7	14.7	1.0	1,257
							22.7	24.7	1.9	4,814
ASD-021	689166	4500790	737.8	70.50	103	-60	3.3	4.4	1.1	1,238
							9.9	13.3	3.4	2,140
							16.5	21.9	5.4	2,439
							60.1	61.3	1.2	2,305
ASD-022	689131	4500976	749.0	137.20	103	-72	47.8	49.5	1.8	669
							89.8	91.9	2.1	387
ASD-023	689120	4500863	739.3	87.10	103	-60	37.3	42.6	5.3	3,142
							47.8	53.4	5.7	724
							57.4	58.8	1.4	543
							68.3	71.0	2.7	1,934
ASD-024	689052	4500865	738.0	110.08	103	-65	12.2	13.3	1.1	534
							19.2	22.3	3.2	586
							39.4	40.4	1.0	440
							42.4	45.2	2.8	436
							50.4	53.3	2.9	1,279
							55.0	59.0	4.0	243
							62.3	64.1	1.8	393
							70.6	72.4	1.8	1,925
							73.4	83.6	10.2	1,047
ASD-025	689101	4501036	748.7	147.87	103	-65	104.2	106.2	2.0	606
							119.2	120.8	1.6	613
							121.0	123.3	2.3	431
ASD-026	688991	4500828	732.8	125.15	103	-65	30.8	41.7	10.9	1,047
							43.8	45.7	1.9	1,271
							47.6	49.1	1.5	1,102
							69.1	71.9	2.8	342
							92.8	98.2	5.4	1,239
							106.2	114.8	8.6	884
ASD-027	688907	4500797	728.4	136.84	103	-70	62.3	67.3	5.0	1,086
							111.8	113.7	1.9	555

### Alameda South RC Drill Hole Intersections (chemical assays)

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)	From (m)	To (m)	Interval (m)	U <sub>3</sub> O <sub>8</sub> (ppm)
ASR-029	689203	4501188	753.2	99.00	103	-70	22	27	5	585
							28	63	35	2,044
							67	68	1	233
							69	70	1	404
							82	83	1	284
ASR-030	689154	4501199	750.9	70.00	103	-70	17	19	2	311
							20	26	6	479
							29	36	7	618
							41	42	1	269
							43	45	2	431
							46	47	1	257
							54	55	1	229
							61	62	1	498
ASR-031	689191	4501242	751.9	110.00	103	-60	29	55	26	3,923
							58	61	3	346
							103	106	3	229
ASR-032	689238	4501233	753.8	100.00	103	-60	22	40	18	1,401
							41	46	5	478
							55	62	7	829
ASR-034	689212	4501340	750.2	120.00	103	-60	52	53	1	347
							55	57	2	909
							70	71	1	283
							73	75	2	270
							78	84	6	667
							86	87	1	321
							99	101	2	203
							106	107	1	252
							111	112	1	611



## **11. Supplementary Information**

The uranium grades reported in this release are annotated with a sub-prefix “e” because they have been reported as uranium equivalent grades derived from down-hole gamma ray logging results and so they should be regarded as approximations only.

The Berkeley drill holes were logged with a GeoVista total count gamma tool. The gamma tool was calibrated in Adelaide at the Department of Water, Land and Biodiversity Conservation in calibration pits constructed under the supervision of CSIRO. The various calibration factors were calculated by David Wilson BSc MSc MAusIMM from 3D Exploration Ltd based in Perth, Western Australia.

Drill intersections are calculated using a 200 ppm eU<sub>3</sub>O<sub>8</sub> lower cut-off with a minimum one metre intersection

The Mineral Resources are presented in accordance with the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves” (JORC Code).

The information in this report that relates to the metallurgical test work results is based on information compiled by Mr Grenvil Dunn, who is a Chemical Engineer and a Member of the South African Institute of Mining and Metallurgy. Mr Dunn is a Technical Consultant with Orway Mineral Consultants who are consultants of Berkeley Resources. Mr Dunn 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 (The JORC Code).

*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.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**BERKELEY RESOURCES LIMITED**

ABN

40 052 468 569

Quarter ended ("current quarter")

30 June 2010

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(3,514)	(9,591)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(430)	(1,669)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	98	345
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other		
	- Business development	(24)	(208)
	- Exploration incentive grant	-	260
<b>Net Operating Cash Flows</b>		<b>(3,870)</b>	<b>(10,863)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(13)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other		
	- Security deposits	-	(45)
	- Refund of VAT on acquisition	-	1,347
<b>Net investing cash flows</b>		<b>-</b>	<b>1,289</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(3,870)</b>	<b>(9,574)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(3,870)	(9,574)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,188	8,369
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other		
	– capital raising expenses	(6)	(122)
	<b>Net financing cash flows</b>	1,182	8,247
	<b>Net increase (decrease) in cash held</b>	(2,688)	(1,327)
1.20	Cash at beginning of quarter/year to date	12,929	11,568
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	10,241	10,241

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	226
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include executive remuneration and bonus payment, superannuation, directors' and consulting fees.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,000
4.2 Development	-
4.3 Production	-
4.4 Administration	500
<b>Total</b>	<b>3,500</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	948	1,318
5.2 Deposits at call	9,293	11,611
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>10,241</b>	<b>12,929</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	136,090,319	136,090,319	Not Applicable	Not Applicable
7.4 Changes during quarter				
(a) Increases through issues	1,251,050	1,251,050	Not Applicable	Not Applicable
(b) Decreases				
7.5 <b>+Convertible debt securities</b>				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases				
7.7 <b>Options</b>			<i>Exercise price</i>	<i>Expiry date</i>
-Incentive Options	2,160,000	-	\$1.86	5 August 2011
-Incentive Options	1,037,500	-	\$1.00	19 June 2012
-Listed Options	12,670,716	12,670,716	\$0.75	15 May 2013
-Unlisted Options	1,500,000	-	\$1.00	31 May 2013
-Incentive Options	1,000,000	-	\$1.25	1 December 2013
-Incentive Options	1,000,000	-	\$1.25	1 December 2014
-Incentive Options	1,000,000	-	\$1.25	1 December 2015
-Incentive Options	3,285,000	-	\$1.35	18 June 2014
7.8 Issued during quarter				
-Incentive Options	1,000,000	-	\$1.25	1 December 2013
-Incentive Options	1,000,000	-	\$1.25	1 December 2014
-Incentive Options	1,000,000	-	\$1.25	1 December 2015
-Incentive Options	3,285,000	-	\$1.35	18 June 2014
7.9 Exercised during quarter			<i>Exercise price</i>	<i>Expiry date</i>
-Listed Options	251,050	251,050	\$0.75	15 May 2013
-Unlisted Options	1,000,000	-	\$1.00	31 May 2013
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



RS Middlemas  
Company secretary

Date: 30 July 2010

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** - The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** - ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.