

25 May 2010

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

Salamanca Uranium Project Drilling Update

Berkeley Resources Limited ("Berkeley") is pleased to announce the completion of a second diamond drilling campaign at the Salamanca Uranium Project (Figure 1) in Spain which provided material for the metallurgical test work program and added additional confidence to the Mineral Resource Estimates previously reported.

Following the completion of the confirmatory drilling program in March 2010 (see ASX announcement 18th March 2010), drilling continued at the Alameda South and Sageras deposits. A further 7 holes (748m) were drilled at Alameda South and 4 holes (360m) at Sageras. These holes were not included in the recent Mineral Resource Estimates announced on 26th February and 30th March but their e-grades correlate well with the resource models and provide further confirmation of the historical drilling data.

The notable intersections presented in Table 1 are based on down-hole gamma logging undertaken by Berkeley and are shown as equivalent U₃O₈ ppm grades or eU₃O₈.

Table 1 – Notable Drill Hole Intersections

Deposit	Hole ID	From (m)	To (m)	Interval (m)	eU ₃ O ₈ (ppm)
Alameda	ASD-020	22.7	24.7	1.9	4,814
Alameda	ASD-021	16.5	21.9	5.4	2,439
Alameda	ASD-023	37.3	42.6	5.3	3,142
Alameda	ASD-023	68.3	71.0	2.7	1,934
Alameda	ASD-024	73.4	83.6	10.2	1,047
Alameda	ASD-026	30.8	41.7	10.9	1,047
Alameda	ASD-026	92.8	98.2	5.4	1,239
Alameda	ASD-026	106.2	114.8	8.6	884
Alameda	ASD-027	62.3	67.3	5.0	1,086
Sageras	SGD-019	40.9	53.4	12.5	827
Sageras	SGD-020	21.9	28.8	6.9	3,760

A full list of intersections using a 200 ppm eU₃O₈ cut-off, with a minimum one metre intersection, is included at the end of this announcement in Table 2 and 3.

Berkeley will provide an update on the Metallurgical test work program shortly.

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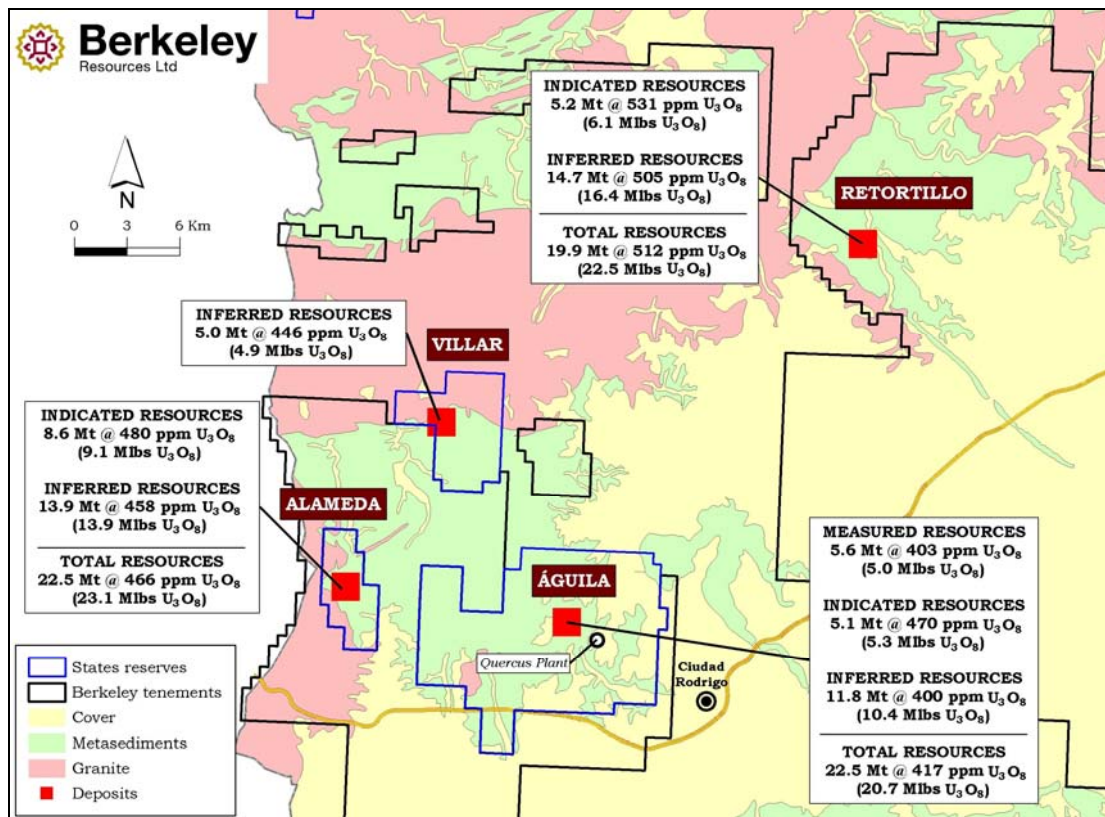


Figure 1 – Salamanca Uranium Project Resource Areas

The Salamanca Uranium Project consists of 4 separate areas containing a number of metasedimentary hosted uranium deposits located in the western part of Salamanca Province, Spain. These deposits are near surface accumulations of open pittable uranium within close proximity to the Quercus uranium ore processing plant (Figure 1).

Berkeley commenced a Definitive Feasibility Study (DFS) in 2009 which is progressing well and on track to be completed in the December 2010 quarter. The study is focused initially on the Águila (Palacios North and Sageras deposits) and Alameda (Alameda South deposit) areas, with possible extension to the Retortillo (Retortillo and Santidad deposits) and Villar areas (see Figure 1).

Berkeley commenced diamond drilling in October 2009 with the objectives of confirming the historical data and generating representative samples for tank leach metallurgical testing. In total, 57 holes (5,080m) were drilled at the Palacios North, Sageras and Alameda South deposits. All holes intersected mineralisation consistent with the surrounding historical drilling data. Following the completion of the drilling, initial Mineral Resource estimations were undertaken for each deposit and announced in February and March 2010. In addition, 2 tonnes of diamond core were sent to SGS in Perth for tank leach metallurgical test work. The program is well advanced with initial results released in the March Quarterly Report.

The Scoping Study completed in December 2009, also showed that heap leaching may be a viable option, so drilling has continued at Alameda South and Sageras to acquire more representative material for static leach test work. Samples will be selected during the second quarter and sent to SGS in Perth.

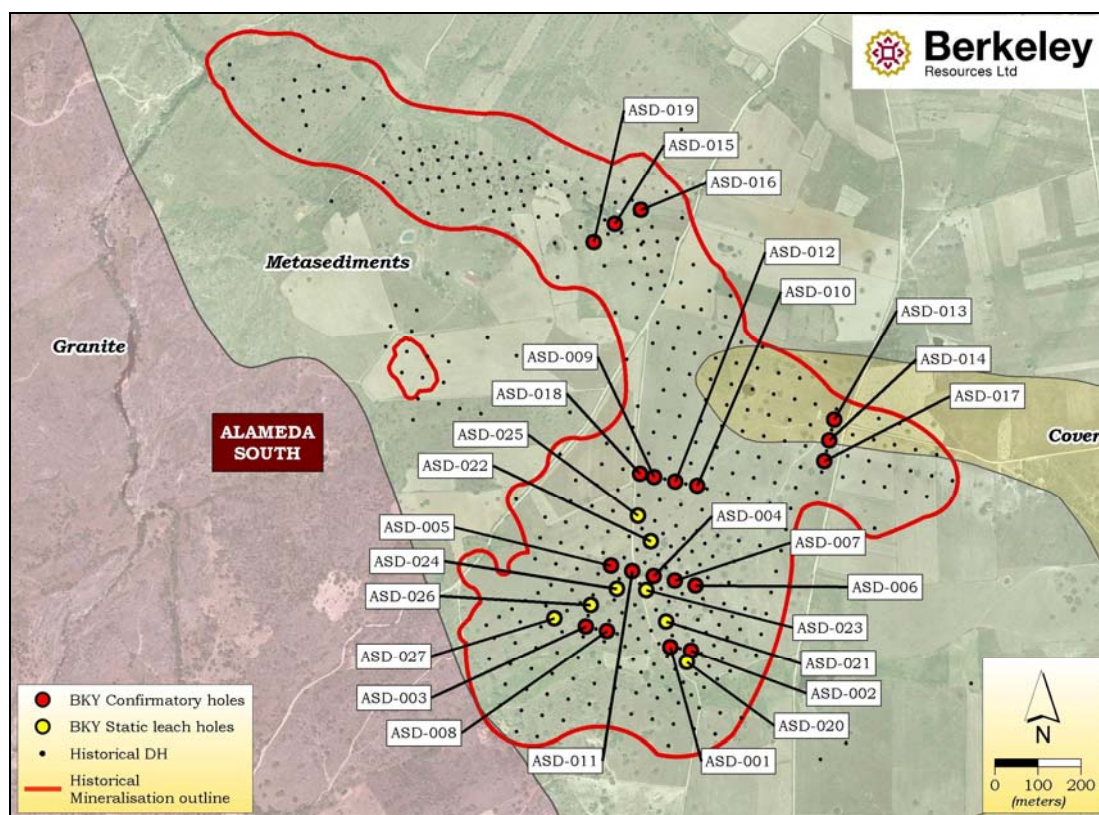


Figure 2 – Location of drill holes at the Alameda South Deposit

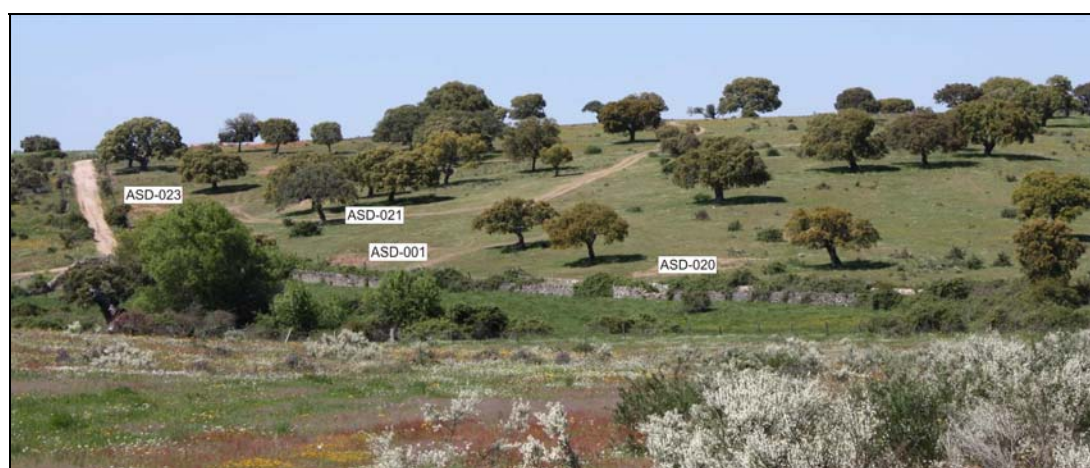


Figure 3 – Alameda South Deposit Looking North

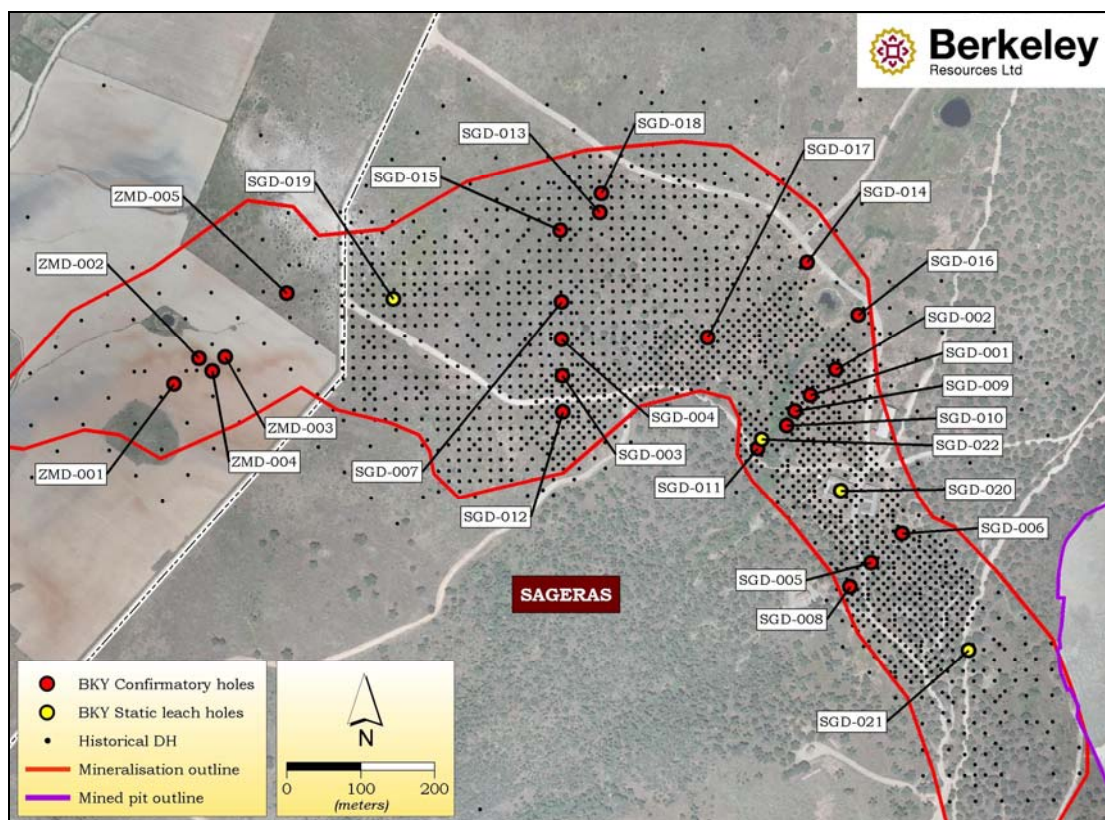


Figure 4 – Location of drill holes at the Sageras Deposit



Figure 5 – Sageras Final Diamond Drill Hole SGD-022

In addition, an RC drilling program is due to commence as soon as permission is received from the Mines Department with 2 drilling rigs at Sageras and 2 at Alameda South. The main objectives of the RC campaign are:

- To upgrade the current resource classifications from Inferred to Indicated and from Indicated to Measured.
- To test for lateral and depth extensions of the current resource in areas where recent diamond drilling has shown the deposits are open.
- To complete sterilization drilling of the area to the north of Sageras where the conceptual waster dump and crushing facility have been located.
- To test a number of high priority targets identified by surface mapping and ground radiometrics that are proximal to the existing resource.

Following the completion of the infill RC holes, the Mineral Resource Estimates at Sageras and Alameda South will be updated prior to pit optimization studies being undertaken as part of the Definitive Feasibility Study (DFS).

Table 2 – Alameda South Drill Hole Intersections

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)	From (m)	To (m)	Interval (m)	eU ₃ O ₈ (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	4500827	731.2	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	136.85	103	-70	62.3	67.3	5.0	1,086
							111.8	113.7	1.9	555

1. Holes with no dip and azimuth specified are vertical

2. Drill intersections are calculated using a 200ppm lower cut-off with a minimum 1m intersection

3. Depth figures are rounded, so differences may occur

Table 3 – Sageras Drill Hole Intersections

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)	From (m)	To (m)	Interval (m)	eU ₃ O ₈ (ppm)
SGD-019	699792	4502947	679.5	87.81			30.6	36.9	6.3	712
							40.9	53.4	12.5	827
SGD-020	700398	4502686	647.2	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	700571	4502469	655.0	70.00			31.7	35.2	3.5	463
							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	700291	4502756		139.25	224.00	-50.00	12.1	14.4	2.4	1,074

1. Holes with no dip and azimuth specified are vertical
2. Drill intersections are calculated using a 200ppm lower cut-off with a minimum 1m intersection
3. Depth figures are rounded, so differences may occur

Notes

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 hole co-ordinates are in UTM 29 ED 50 Datum grid and have been surveyed using a DGPS.

Drill intersections are calculated using a 200 ppm eU_3O_8 lower cut-off with a minimum 1 metre intersection.

As a check on the down-hole gamma logging data, hand held scintillometer readings were taken along the mineralised sections of the core. These showed good correlation with the down-hole gamma readings and were used to identify sections which may have been affected by radon. The down-hole gamma results also confirmed visual observations of significant uranium mineralisation in all of the holes.

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.