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ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

Highly Encouraging Results from Tank Leach and Heap Leach Test Work at the Salamanca Uranium Project

Berkeley Resources Limited is pleased to announce highly encouraging results from completion of the Phase 1 Feasibility Study tank leach metallurgical test work programme at the Salamanca Uranium Project in Spain. Extensive dynamic leach tests have yielded uranium extraction in excess of 93% in acid batch leach tests for bulk samples from Palacios and Alameda and in excess of 87% for representative samples from Sageras. Acid leach is a proven technology and was previously used in the Quercus Processing Plant at the Salamanca Operation from 1994 to 2000.

Key results from this test work undertaken at the SGS Lakefield Laboratories in Perth, Australia, are summarised below:

- Leach recoveries greater than 93% at Palacios and Alameda and 87% at Sageras using an acid based process at high slurry densities of 1.7 to 1.8;
- Low power consumption due to a relatively coarse grind in the leach of P80 ~750 microns;
- Rapid leach times - approximately 10 to 12 hours at Alameda and 12 to 14 hours at Sageras;
- Ambient leach temperatures of 20°C;
- Low sulphuric acid consumptions of 7 to 12 kg/t at Sageras, 15 to 18 kg/t at Alameda and 23 to 25 kg/t at Palacios;
- Minimal recovery of impurities;
- A simplified extraction flow sheet, similar to that employed in uranium acid leach processing elsewhere in the world;
- Reduction of environmental issues with the generation of a “dry” leach residue.

The combination of low acid consumption, coarse grind size and relatively low power costs in Spain continues to drive the process operating costs to +/- US\$15/lb U₃O₈ – well within the lower quartile in operations worldwide. Equally important to note are the rapid leach times from 10 – 14 hours at Sageras and Alameda, which have a significant impact on the projected CAPEX, by potentially reducing tankage and associated civil works, agitators and power.

Heap leach test work is in its initial stages, however, average recoveries from four 50 day column leach tests of Sageras samples were similar to tank leach results, although with slightly higher acid consumption. Intermittent bottle roll tests on Alameda samples and progress results for small leach columns of material from Alameda and Palacios suggest higher recoveries, consistent with the excellent results obtained from two Retortillo column tests in 2009.

The primary focus of the Phase 1 metallurgical test work programme is to produce sufficient process and engineering data for recommissioning of the Quercus Plant at an initial production rate of 2.1 Mlbs of U_3O_8 per annum. The ongoing heap leach test work is examining options for increasing production to over 5 Mlbs of U_3O_8 per annum, and also enabling more informed comparison of both processing options.

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Introduction

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

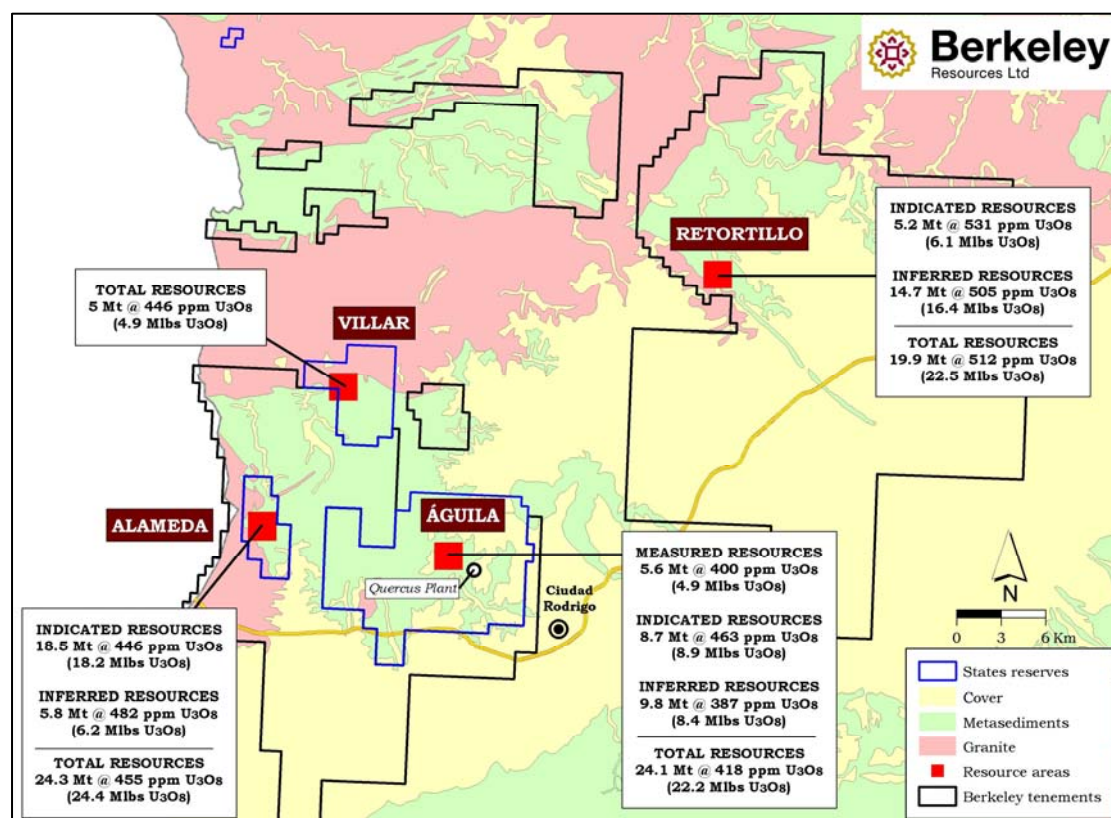


Figure 1 – Salamanca Uranium Project Resources

During the year over 14,500 kg of representative diamond drill core was sent to the SGS Lakefield Laboratories in Perth, Australia for a comprehensive metallurgical test work campaign supervised by Orway Mineral Consultants (WA) Pty Ltd and Kappes Cassiday. The material was selected on the basis of lithology, oxidation and grade from the Sageras, Palacios North and Alameda South deposits.

The Phase 1 metallurgical test work programme was aimed at optimising process conditions for treating the uranium ore at Sageras, Alameda and Palacios in a tank leach configuration and enabling the re-commissioning of the Quercus Processing Plant at a capacity of 2.1 Mlb (0.95 Kt) of U₃O₈ per annum. It commenced in March 2010 and was completed on schedule in October 2010.

The following test work was completed:

- Preliminary mineralogy on the various ore types and leach residues;
- Comminution (crushing & grinding);
- Preliminary ore sorting;
- Flotation;
- Ore upgrade by “Crush-Scrub-Screen” process;
- Tank leaching;
- Thickening and filtration;
- Solvent extraction;
- Geotechnical and geochemical testing of the leach residues;
- Effluent neutralization;
- Preliminary column leaching.

The test work has identified the flowsheet in Figure 2 as being the optimal.

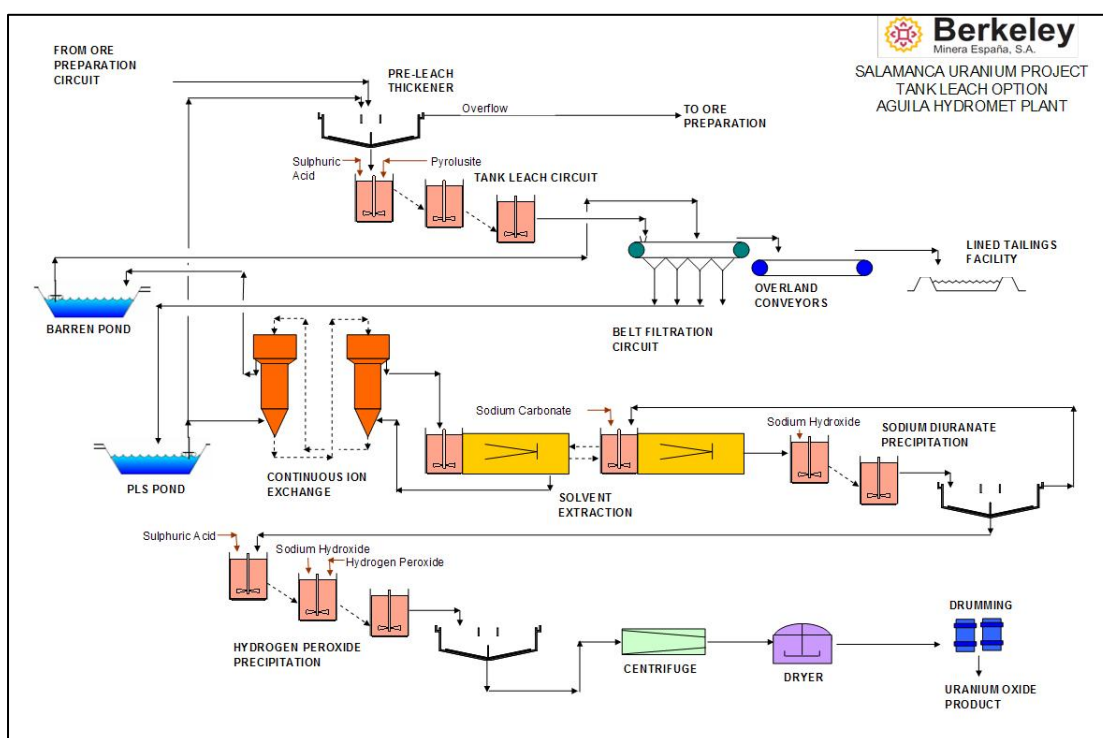


Figure 2 – Extraction & Recovery Flowsheet for the SUP

Tank Leach Test Results

The Phase 1 tank leach test work has delivered uranium extraction rates in excess of 93% at both Alameda and Palacios and in excess of 87% at Sageras. All tests to date have employed a coarse grind to the leach feed of P80~750 microns with the aim of minimizing energy requirements in the comminution circuit without sacrificing yield.

Typical process conditions are summarised in Table 1.

Material	Units	Palacios	Alameda	Sageras
Recovery	%	93	93	87
Sulphuric acid	(kg/t)	23 – 25	15 – 18	7 – 12
Leach Time	(hrs)	8 – 12	10 – 12	12 - 14
Pyrolusite	(kg/t)	1.7 – 2.2	1.4 – 1.8	2.0 - 2.5
Temperature	(°C)	20	20	20
Slurry Specific Gravity		1.7 – 1.8	1.7 – 1.8	1.7 – 1.8

Table 1 - Leach Process Conditions for Palacios, Alameda and Sageras

The relatively coarse ground leach residues are readily filtered and washed to yield good recoveries of soluble uranium.

Sageras

A total of 26 whole-of-ore batch leach tests have provided the following conditions:

- acid consumption – low by industry standards at 7 - 12 kg/t of ore feed;
- pyrolusite consumption of 2.0 to 2.5 kg/t;
- ambient temperature of approximately 20°C;
- coarse grind of P80 ~750 microns, and
- leach slurry density of 65% to 70% solids.

A typical leach kinetic relationship is shown in Figure 3 (Test 10575.12ATL).

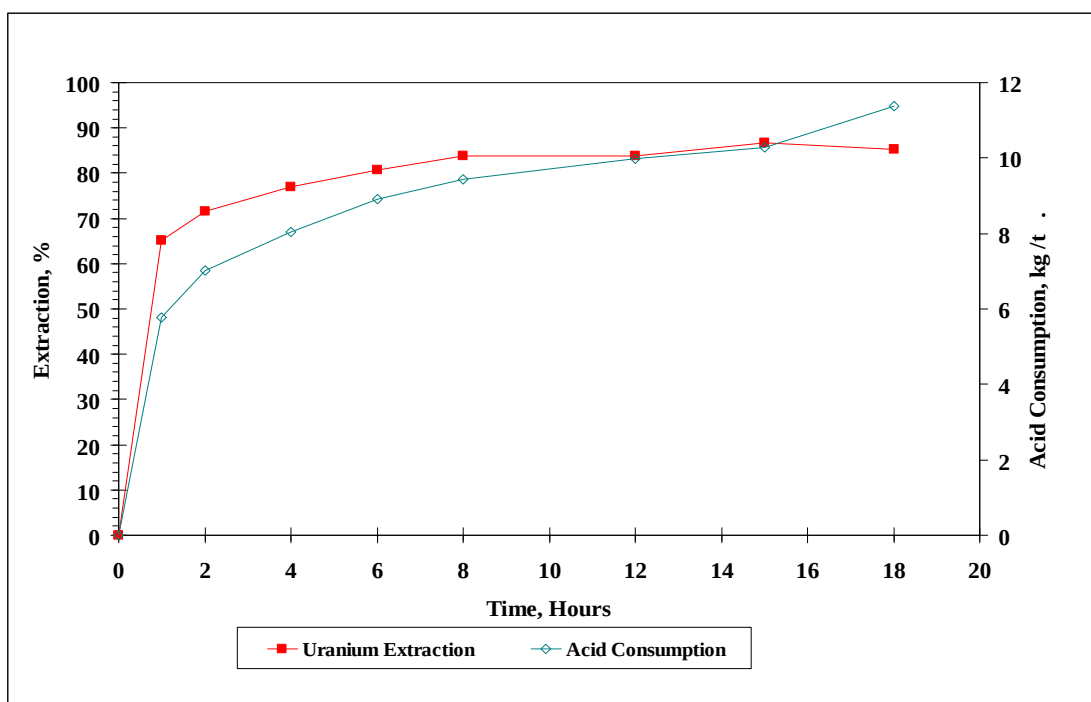


Figure 3 – Sageras Leach Results

Mineralogical studies indicate that recoveries above 87% for Sageras may not be cost effective.

Palacios

This deposit is the most amenable to acid leaching with high extractions of uranium at high slurry pH and shorter residence times. Higher acid requirements (about double Sageras), are close to the industry average.

Optimal conditions are:

- acid consumption = 23 - 25 kg/t;
- pyrolusite consumption of 1.7 to 2.2 kg/t;
- ambient temperature of 20°C;
- coarse grind with P80 ~750 microns;
- leach slurry density of 65% to 70% solids, and
- leach pH of approximately 2.

Figure 4 (Test 10575.34ATL) provides the kinetic relationship in the leach.

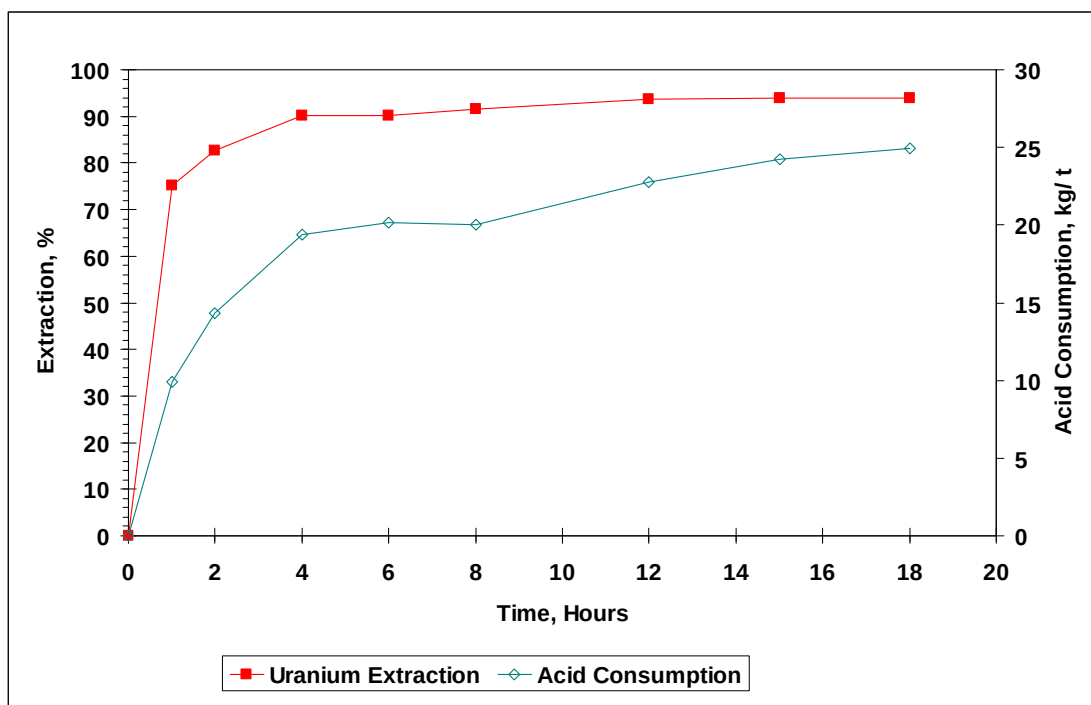


Figure 4 – Palacios Leach Results

Acid leach extractions of 93% are readily achievable at Palacios.

Alameda

The Alameda tests yield similar leach efficiencies to Palacios, but with significantly lower reagent requirements.

High extractions of 93 to 94% were readily and frequently achieved.

The optimal conditions for leaching the Alameda composite are:

- acid consumption of 15 to 18 kg/t – low by industry averages.
- pyrolusite consumption of 1.4 to 1.8 kg/t;
- operating temperature of 20°C;
- a coarse grind size of P80 ~750 microns, and
- leach slurry density of 65% to 70%.

Figure 5 (Test 10575.20ATL) provides the leach extraction response for the Alameda composite sample.

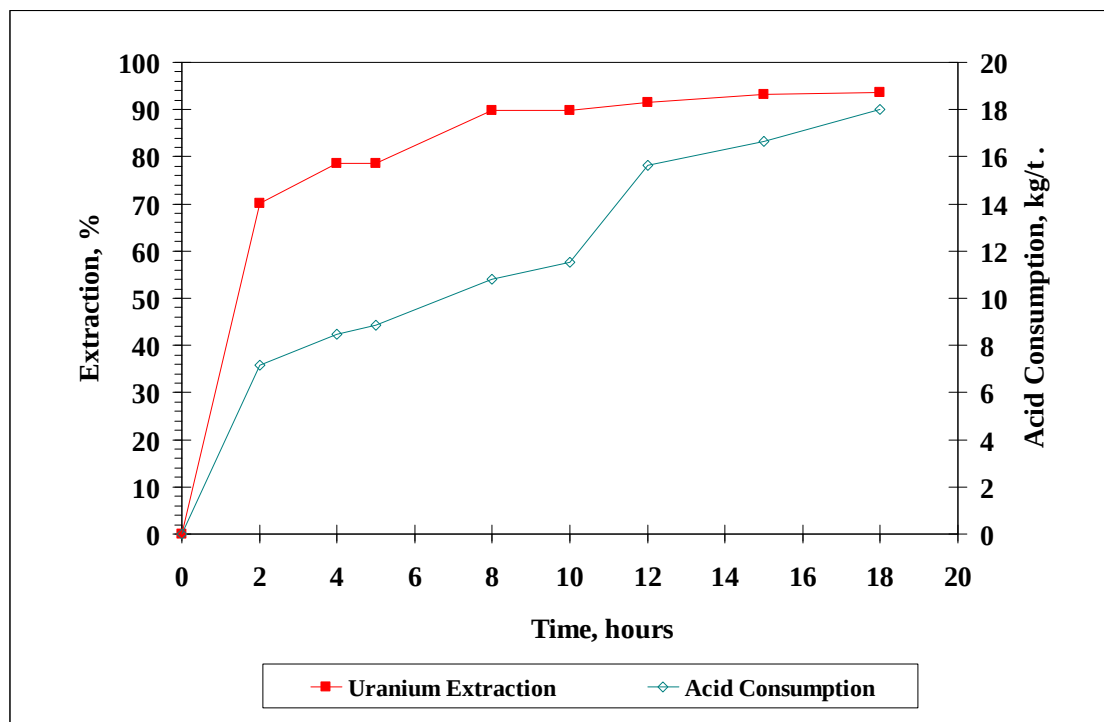


Figure 5 – Alameda Leach Results

Heap Leach

A substantial programme of intermittent bottle roll leach tests and column tests is in progress at the SGS Lakefield laboratories in Perth based on representative drill core samples from the Alameda, Sageras and Palacios deposits. Optimisation programmes for Alameda and Sageras are still at the early stage of crush size assessment, but preliminary test results utilising 26 bottle roll tests for Alameda and 14 for Sageras have confirmed the following:

- There is a consistent trend of increasing recovery with increasing head grade;
- Uranium recovery appears to be independent of sample depth, lithology type, or oxidation level;
- There are no identifiable trends of increasing acid consumption by head grade, depth, lithology type or oxidation level;
- The 10-day intermittent roll bottle tests are a much better indicator of ultimate column test recovery than simple 5-day tests.

Column test results to date on Sageras lithology composites (-12.5mm crush in 100mm diameter by 1.7m tall columns) have been similar to the excellent results obtained on Retortillo samples in a programme conducted in 2009. Figure 6 presents the results of 4 x 50 day column tests completed on Sageras composites ranging in grade from 300 to 950 ppm U_3O_8 . Three of the composites were reduced material while the 4th composite (SMP-T) was nearer-surface transition material. Extremely consistent leach results are noted, with excellent uranium recoveries and exceptionally low acid consumptions.

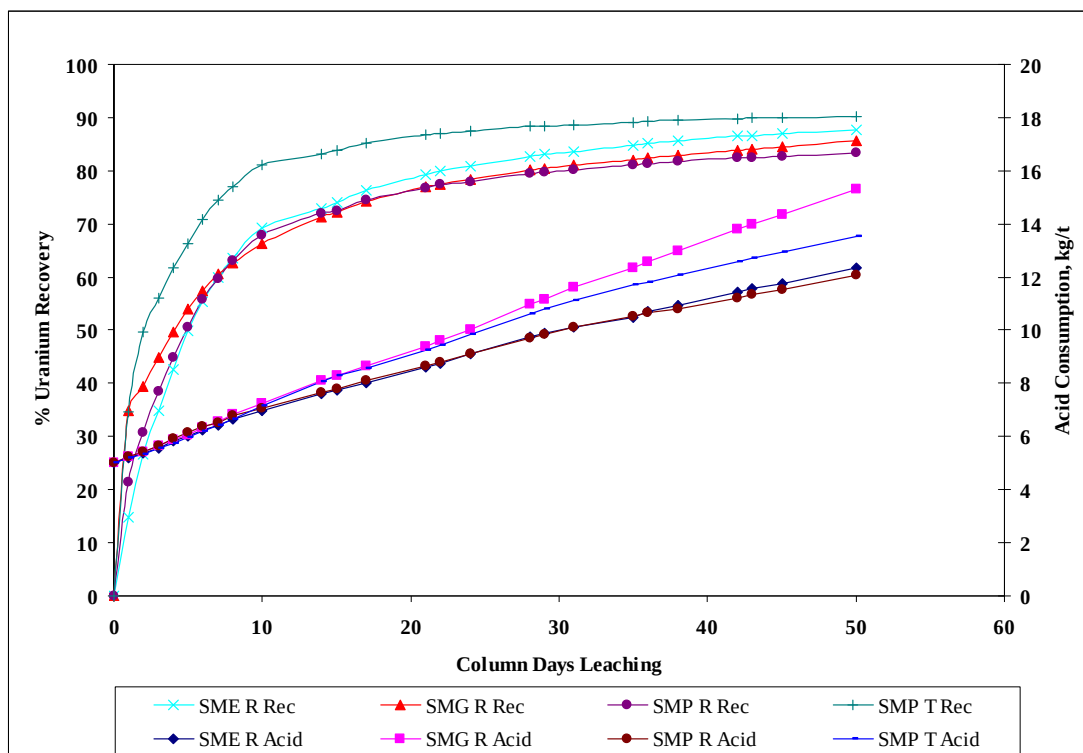


Figure 6 – Sageras Column Leach Results at 12.5mm

Heap leach testwork results to date are notable for their overall coherence which suggests that the dominant control on recoveries is uranium mineralogy, textures and grain size. Results from Sageras and Alameda are consistent with earlier results from Retortillo using 4m x 100mm diameter columns. They are also supported by progress results for 12 x 1m and 2 x 2m columns that are currently investigating the effects of crush size on composite samples from Sageras, Alameda and Palacios.

The programme of optimisation testing with small and intermediate size columns on Alameda, Sageras and Palacios composites, will be followed by a similar programme on Retortillo composites to assist comparisons of tank leach and heap leach options. The outcomes from this work will also establish parameters for the Phase two test work utilizing larger columns.

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 (WA) Pty Ltd 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.