

6th December, 2010

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

Drilling Update - Salamanca Uranium Project

Berkeley is pleased to announce final results from the reverse circulation (RC) drilling program at Sageras, including the new north-west extension, and commencement of diamond drilling to obtain sufficient samples for Phase 2 of the Feasibility Study metallurgical test work program.

Final chemical assay results from the RC drilling program at Sageras extend the new north-west zone for 200 metres beyond the current resource outline. A follow up program RC drilling program is planned to determine the limits of this extension.

A 70 hole, 5000m diamond drilling program, located entirely within the proposed mine plan, has commenced at Sageras and Alameda South, and will be followed by drilling at Palacios North. A third rig will commence drilling at the Retortillo deposit in the next few weeks.

The e-grade results from the first eight diamond holes at Sageras show excellent correlation in both grade and thickness, with the updated resource model announced in September. Notable intersections are shown in Table 1.

Table 1 – Notable Intersections

Hole ID	From (m)	To (m)	Interval (m)	eU ₃ O ₈ (ppm)
SGD-056	11.36	14.46	3.10	1,717
	33.29	39.61	6.32	3,578
SGD-060	8.76	23.45	14.69	303
	25.25	32.62	7.37	948
	37.18	52.88	15.70	857
SGD-061	12.10	19.23	7.13	1,285

Commenting on this development the Managing Director of Berkeley Resources, Mr. Ian Stalker said:

“The encouraging results from the initial heap leach test work already undertaken at SGS in Perth have enabled the commencement of the next phase involving larger scale tests that require significantly more material. The early start of the drilling at Sageras and Alameda South, and the initial results, confirm that we are on track with the second phase of the metallurgical test work program.”

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Salamanca Uranium Project

The Salamanca Uranium Project (SUP) consists of four areas containing a number of metasedimentary hosted uranium deposits located in the western part of the Salamanca Province in Spain.

Berkeley commenced a Feasibility Study process for the SUP in May 2009, following Cabinet approval of the Co-Operation Agreement between Berkeley and ENUSA. The Feasibility Study is progressing in 2 separate phases:

1. Phase 1 is focusing on a tank leach scenario with a production rate of 2.1 Mlbs (0.95 Kt) of U_3O_8 per annum with the Sageras and Palacios North deposits providing the initial feed to the Quercus Plant.
2. Phase 2 aims to increase the production rate up to 5 Mlbs (2.3 Kt) of U_3O_8 per annum by establishing heap leach operations at Alameda and Retortillo.

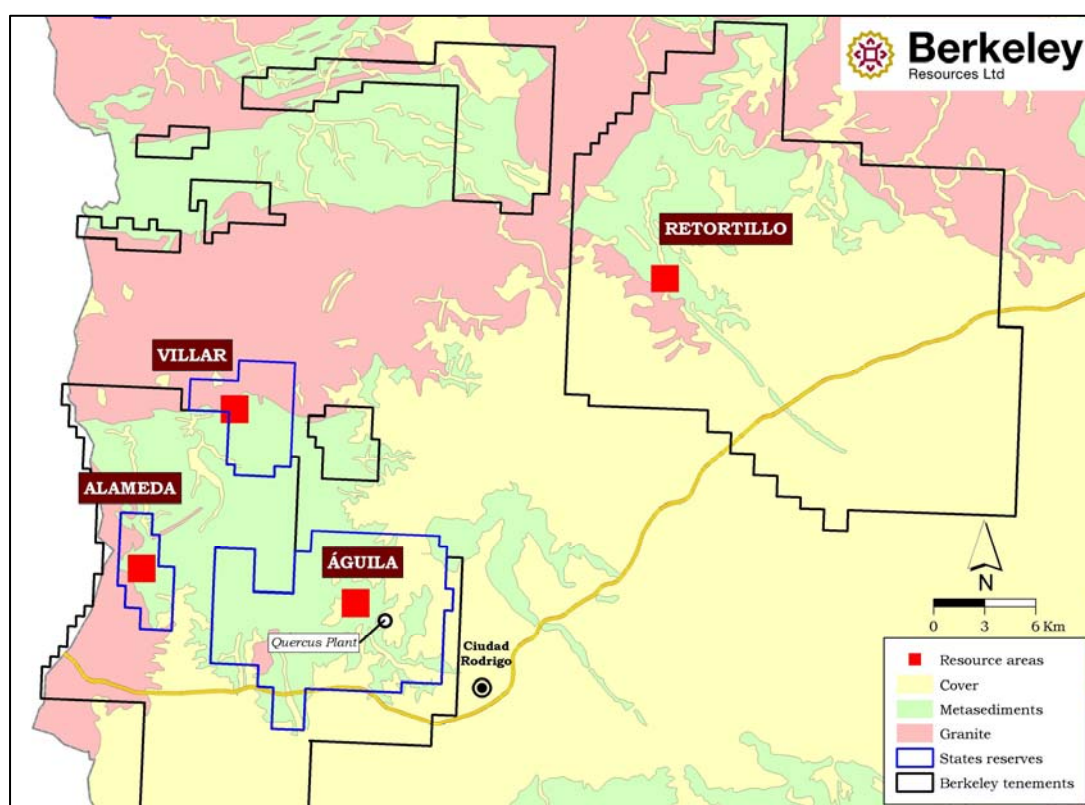


Figure 1 – Salamanca Uranium Project Resource Areas

Berkeley has already completed a number of drilling campaigns as part of the SUP Feasibility Study:

- A 5,000m confirmatory diamond drilling program commenced in October 2009 at the Sageras, Palacios North and Alameda South deposits. The program was completed in March 2010 and succeeded in confirming the historical data as well as highlighting potential extensions to the known mineralisation.

- An 8,000m RC infill drilling program commenced in June 2010 at the Sageras, Palacios North and Alameda South deposits. The program was completed in August 2010 and successfully upgraded and increased the resources at Sageras and Alameda South.
- A 1,400m metallurgical diamond drilling program was completed at the Sageras and Alameda South deposits. Over 14 tonnes of diamond drill core was collected and sent to SGS laboratories in Perth.

RC Drilling Results

Final chemical assay results from the RC drilling program at Sageras West included a number of holes with mineralisation that were not included in the Mineral Resource update announced in September.

As a result the new zone of mineralisation at Sageras West has been extended more than 200m to the north-west, and is still open. A detailed review of the drilling results, ground radiometrics and gamma activity data from soil samples indicate 2 separate zones of mineralisation that could extend the resource limits a further 500m to the north-west, albeit at lower grade (Figure 2). The area is partially covered with tertiary and quaternary material which masks the radiometric signature.

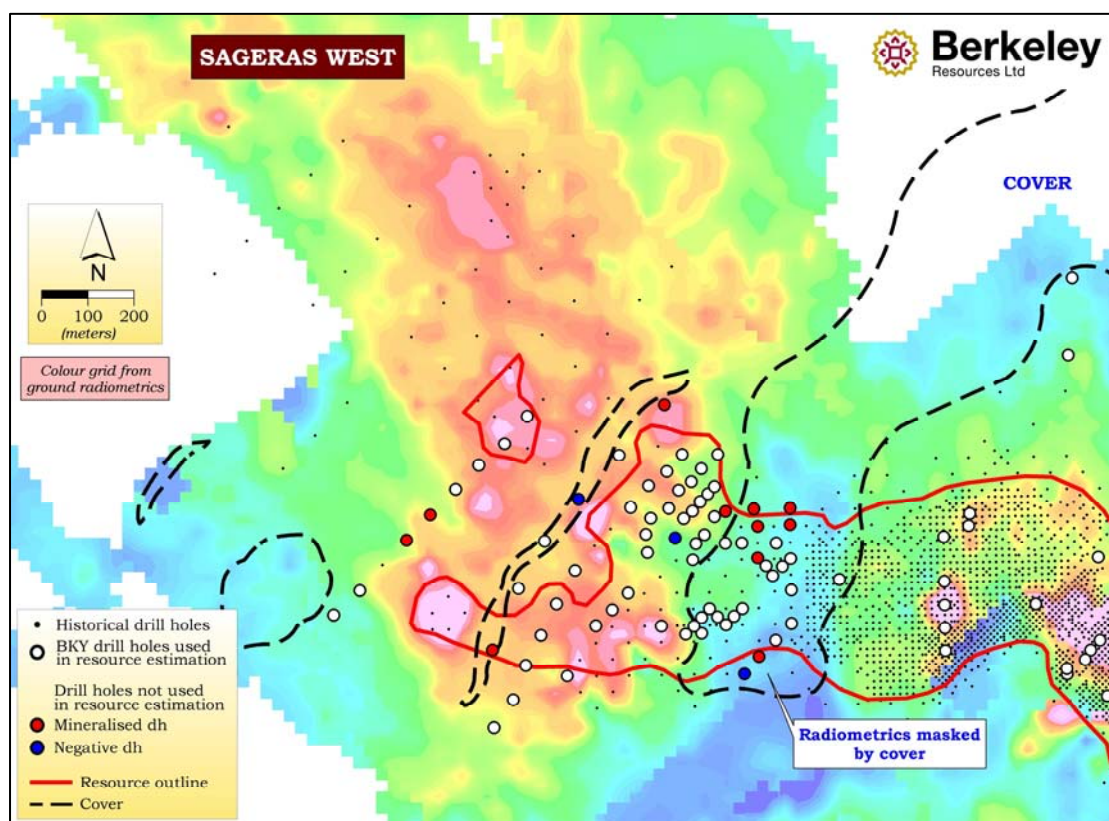


Figure 2 – Sageras North-West Mineralised Zone

Metallurgical Diamond Drilling

Up to 21 tonnes of material is required to enable the Phase 2 Feasibility Study metallurgical test work (Table 2). All of this material will be sourced from PQ diamond drill core (core diameter 85mm).

Table 2 – Metallurgical Material

Deposit	Drilling		Material (kg)
	Holes	Metres	
Palacios North	12	740	2,000
Sageras	23	1,520	7,000
Alameda South	26	2,120	7,000
Retortillo/Santidad	16	1,200	5,000
Total	65	4,840	21,000

Eight holes have already been completed at Sageras (Figure 3) and the e-grade (equivalent U_3O_8 ppm grades or eU_3O_8) intersections above 200 ppm eU_3O_8 are listed in Table 3. These results give excellent correlation in grade and thickness with estimated resource blocks.

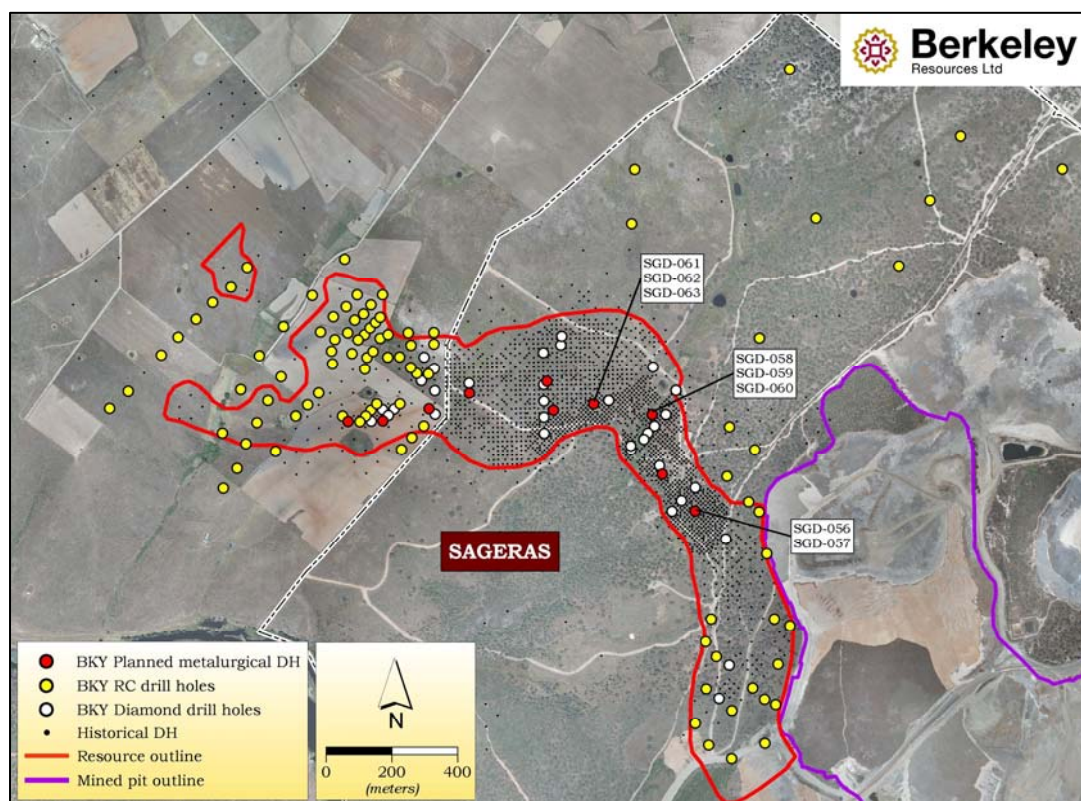


Figure 3 – Sageras Mineral Resource

A second diamond drill rig has commenced drilling at the Alameda South deposit on Hole ASD-062, the first of the 26 planned holes (Figure 4).

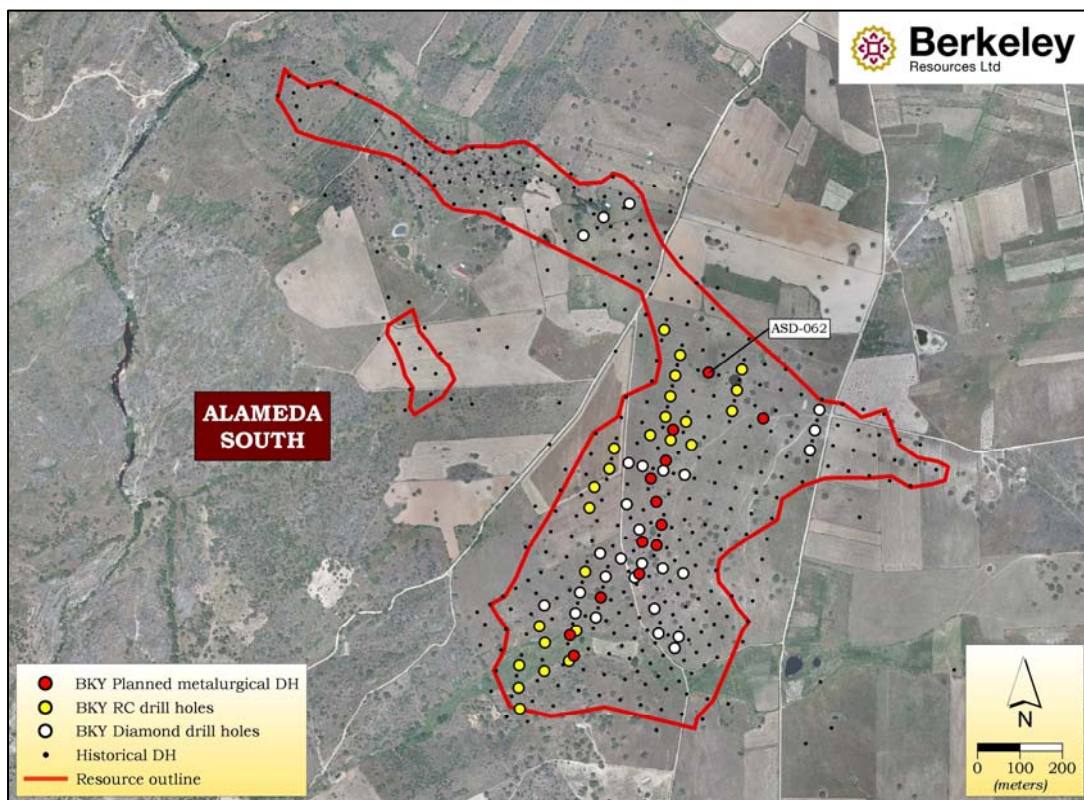


Figure 4 – Alameda South Mineral Resource

A further 12 metallurgical test work holes are planned at Palacios North (Figure 5).

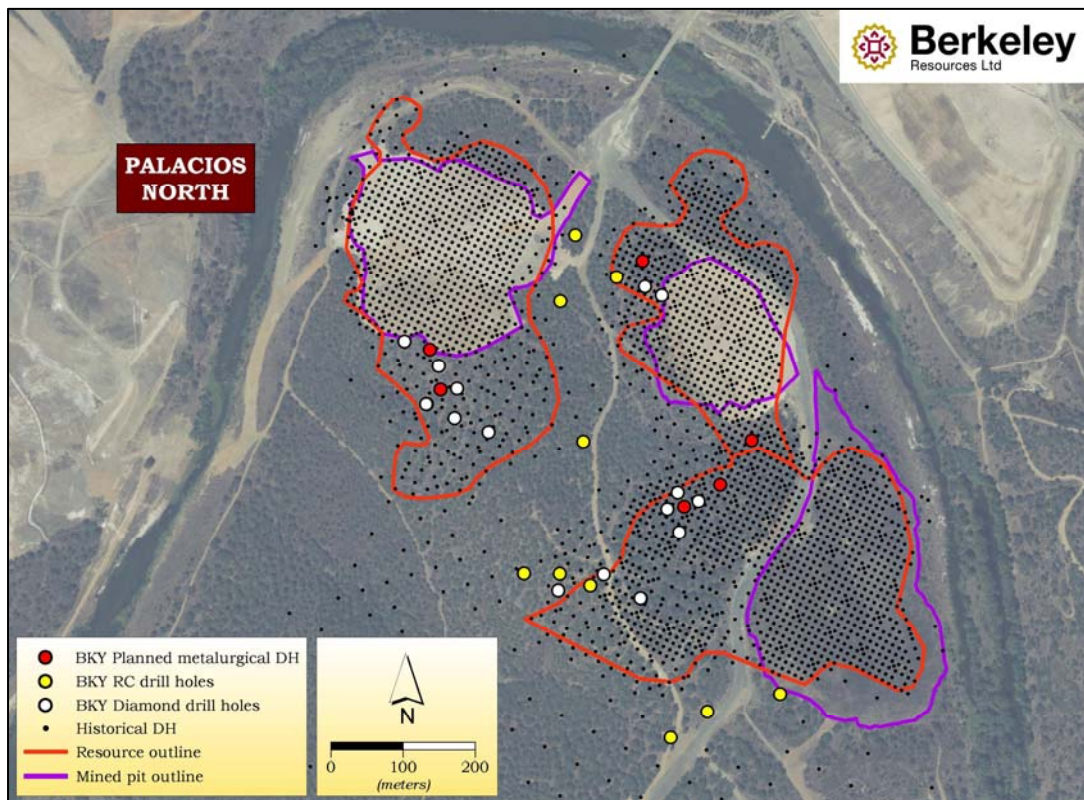


Figure 5 – Palacios North Mineral Resource

Retortillo Drilling

Berkeley drilled over 80 RC and diamond holes at the 100% owned Retortillo deposit in 2007 and over 200 holes at Santidad. Mineral Resource Estimates were announced for both deposits in 2007 and 2008 and both included a significant Inferred resource component (63% at Retortillo and 71% at Santidad). A 13,000m combined DDH and RC drilling program has been planned for these two deposits to upgrade the Inferred resources to Measured and Indicated, test for lateral and depth extensions and to generate sufficient drill core for the Phase 2 heap leach metallurgical test work program. Approval from the Salamanca Mines Department has been received and drilling should commence in the next few weeks (Figure 6).

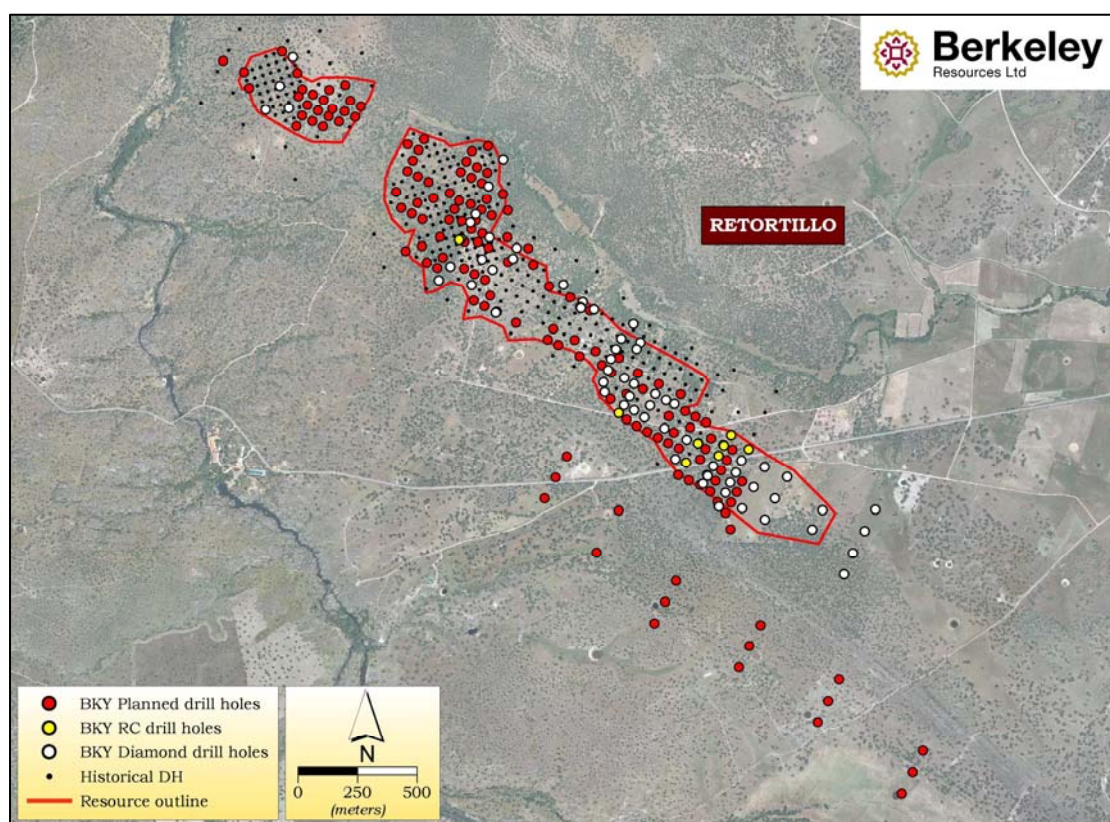


Figure 6 – Retortillo Mineral Resource

Table 3 – Sageras DDH Intersections (e-grades)

Hole ID	Easting (m)	Northing (m)	Elevation (m)	Depth (m)	Azimuth (°)	Dip (°)	From (m)	To (m)	Interval (m)	eU ₃ O ₈ (ppm)
SGD-056	700481	4502556	653	46.60	0	-90	11.36	14.46	3.10	1,717
							37.00	40.58	3.58	643
SGD-057	700481	4502556	653	94.80	224	-60	16.64	18.14	1.50	552
							21.20	24.43	3.23	442
							30.44	31.70	1.26	2,301
							33.29	39.61	6.32	3,578
SGD-058	700349	4502851	645	92.59	224	-60	15.09	19.05	3.96	359
							26.02	28.10	2.08	1,131
							48.35	49.56	1.21	853
SGD-059	700349	4502851	645	94.88	0	-90	13.07	15.61	2.54	376
							23.19	28.80	5.61	493
							34.47	37.36	2.89	878
							46.00	47.92	1.92	788
SGD-060	700349	4502851	645	88.50	44	-60	8.76	23.45	14.69	303
							25.25	32.62	7.37	948
							37.18	52.88	15.70	857
							54.75	58.00	3.25	580
							69.06	73.95	4.89	561
							76.22	79.89	3.67	1,199
SGD-061	700172	4502884	653	51.25	224	-60	12.01	19.23	7.13	1,285
							26.45	29	2.55	371
SGD-062	700172	4502884	653	68.00	0	-90	7.98	10.06	2.08	475
							13.15	14.80	1.65	1,137
							20.89	23.16	2.27	721
							53.05	55.19	2.14	899
SGD-063	700172	4502884	653	70.25	44	-60	22.06	25.63	3.57	398
							28.39	31.43	3.04	456
							44.23	50.28	6.05	495

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.