

30 January 2012

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

Preliminary Feasibility Study Results for Berkeley's 100% owned Salamanca 1 Project - Stage 1 (Retortillo & Santidad)

Further to the announcement on December 13, 2011, Berkeley Resources Limited ("Berkeley" or "Company") is pleased to present the results from the Preliminary Feasibility Study for the first stage of development of Berkeley's 100% owned Salamanca 1 Project, comprising the Retortillo and Santidad deposits only. The Exploitation Project, developed from the Preliminary Feasibility Study, has been presented to the regional government of Castilla y Leon, in accordance with permitting requirements. The licensing and permitting process is proceeding to schedule, with the company expecting completion within the 18 month timeframe, as previously reported to the market.

The Preliminary Feasibility Study was compiled by Berkeley, with the assistance of a group of consultants led by PPM Solutions in Australia. This served as a basis for the Exploitation Project that has been completed by the Spanish firm, CRN Consultants.

As also highlighted within the December 13, 2011 release, a 10,000m program of RC drilling commenced at Retortillo in July with the aim of upgrading confidence levels on the Retortillo resource. As stated, progress calculations based largely on e-grades and using the zoned block model method employed at the State reserve deposits (which combines *kriging* and inverse distance squared weightings) indicated that the original 2007 estimate (based on a recovered fraction with inverse distance methodology) overestimated the resource. Berkeley can now confirm that the overestimation is less than the 12% forecast within the December 13, 2011 release. As a result, total Berkeley 100% owned resources have been reduced by 9.5%, from 31.7Mlb to 28.7Mlb. A complete updated resource statement for Berkeley's 100% owned deposits is detailed within this report.

The Preliminary Feasibility Study that formed the basis of the Exploitation Project submitted to the regional authorities is limited to only the first stage of the Salamanca

1 Project. As such, the company is cognisant that the economic evaluation presented below, whilst already very strong, is expected to be significantly improved as the remaining Salamanca 1 deposits are incorporated into the project, utilising the central Retortillo processing facility. This will occur following the completion of further geological and metallurgical analysis to be completed in 2012. Furthermore, Berkeley will focus on expanding upon known Salamanca 1 resources throughout 2012 via exploration within the Company's highly prospective 100% owned regions.

Outcomes from the Preliminary Feasibility Study Results for Berkeley's 100% owned Salamanca 1 Project, Stage 1 (Retortillo & Santidad)

- Production:
 - LoM: 10 years (in production)
 - U₃O₈ produced: 11.5 Mlbs (1.42 Mlbs/annum average during the first 6 years)
- Financials:
 - CAPEX during LoM: 83.7 M€
 - Pre-operational CAPEX: 62.5 M€ (contingency included)
 - Total cash cost (Including Royalties): 30.3 USD/lb
Total production cost (including restoration): 33.93 USD/lb
 - NPV: 136.2 M\$ (USD)*
 - IRR: 47%*
 - Payback: 1.9 year*

(* Assumes a US\$:€ Conversion Rate of 1.32, US\$65/lb Uranium Price, 8% Discount rate, 15% Capital Contingency)

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The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Craig Gwatkin, who is a Member of The Australian Institute of Mining and Metallurgy and is an employee of Berkeley Resources Limited. Mr. Gwatkin 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. Gwatkin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Berkeley 100% Owned Salamanca 1 Project, Stage 1 (Retortillo & Santidad) Summary

1. INTRODUCTION

The 100% Berkeley-owned Salamanca 1 Project will initiate uranium processing at the Retortillo and Santidad deposits, within the Salamanca province in Spain. However the down-stream metallurgical circuits (Solvent Extraction, Precipitation, Calcination, and Packaging) built at Retortillo have been designed to remain the central processing facility for all of Berkeley's 100% owned deposits, from both the Salamanca and Gambuta regions, which together make up the entire Salamanca 1 project.

On the October 11, 2011, Berkeley initiated the permitting process to convert the "Pedreras" Investigation Permit to an Exploitation Concession. The "Pedreras" Investigation Permit consists of the Retortillo and Santidad deposits, which will be the first deposits developed as part of the project. During September to December of 2011, Berkeley prepared a Preliminary Feasibility Study for development of the Retortillo and Santidad deposits. This was completed with the assistance of a group of consultants led by PPM Solutions in Australia, which then served as the basis for the Exploitation Project that has been carried out by CRN Consultants, a Spanish firm specialising in this type of project.

The main outcomes from the Preliminary Feasibility Study and Exploitation Plan for the Retortillo and Santidad deposits are summarized in this release.

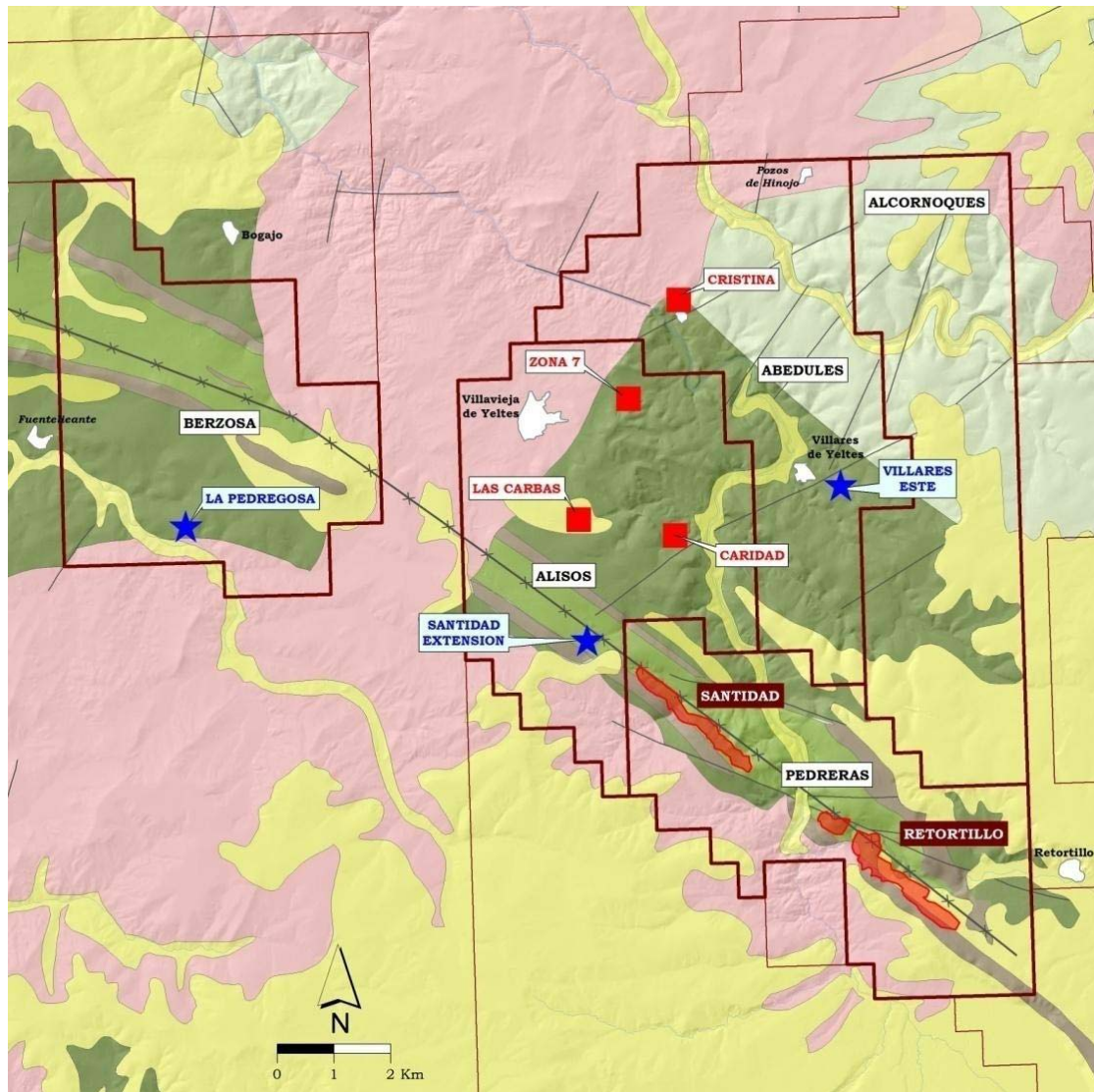


Figure 1: Berkeley's Investigation Permits in the Retortillo and Santidad area

2. RESOURCES

Over the last 6 months, Berkeley has carried out an extensive drilling campaign on the Retortillo deposit. The campaign aimed to increase confidence levels on previously evaluated resources, as well as to extend the resource in areas where the deposit remained open.

The Salamanca 1 Project Resource Estimate update, using a 200ppm U_3O_8 cut-off, is as follows:



Deposit Name	Resource Category	Tonnes (Mt)	U ₃ O ₈ (ppm)	U ₃ O ₈ (t)	U ₃ O ₈ (Mlbs)	Category (%)	Berkeley (%)
Retortillo	Indicated	6.1	416	2,555	5.6	56%	100%
	Inferred	5.3	376	2,005	4.4	44%	100%
	Total	11.5	397	4,560	10.1	100%	100%
Santidad	Indicated	1.4	394	552	1.2	29%	100%
	Inferred	3.2	417	1,334	2.9	71%	100%
	Total	4.6	410	1,886	4.2	100%	100%
Zona 7	Inferred	3.9	414	1,615	3.6	100%	100%
Las Carbas	Inferred	0.6	443	266	0.6	100%	100%
Cristina	Inferred	0.8	460	368	0.8	100%	100%
Caridad	Inferred	0.4	382	153	0.3	100%	100%
Retortillo Area	Indicated	7.5	412	3,107	6.8	35%	100%
	Inferred	14.2	403	5,740	12.7	65%	100%
	Total	21.8	406	8,847	19.5	100%	100%
Gambuta	Inferred	11.3	371	4,192	9.2	100%	100%
TOTAL	Indicated	7.5	412	3,107	6.8	24%	100%
	Inferred	25.5	389	9,933	21.9	76%	100%
	Total	33.1	394	13,039	28.7	100%	100%

Table 1: Salamanca 1 Project Resources (CoG @200ppm)

Table 1 details the Resource Estimate for the entire Salamanca 1 Project, though it should be noted:

- 1) The initial Exploitation Plan submitted and summarised here has been prepared just for the Retortillo and Santidad deposits (Stage 1), being the first deposits into production with a combined 10 year mine life. Detailed

development of the remaining deposits and regions will be one of the main focuses of the company during 2012, targeting to increase both Measured and Indicated categories as well as increasing the total resource. The regions remain underexplored and are still open throughout many of the identified deposits.

- 2) Whilst the resource estimate uses a cut-off grade of 200ppm, the mine design utilises a Cut off Grade (CoG) of 96 ppm, which produces the optimum efficiency and economic return for the project.

3. MINE DESIGN

The mine has been designed as a conventional open pit operation, utilising a continuous rehabilitation program, with waste continuously transferred to backfill and rehabilitate the operating pit.

The orebody is divided into two deposits by the Yeltes River; Retortillo, and Santidad, which are separated by a distance of 3 km. The process plant will be centralised at Retortillo, where the majority of resources are located. Ore from Santidad will be primary crushed close to the pit and conveyed to Retortillo for processing.

The design contains a safety factor >1.2 to ensure the stability of the pits and is compliant with mining regulations in Spain. The mine layout consists of 5 pits: 2 at Retortillo, and 3 in Santidad, as well as 4 waste dumps: 1 permanent, and 1 temporary in Retortillo, and the same in Santidad. Permanent waste dumps will consist of oxide waste (inert) and will be rehabilitated on site. Temporary waste dumps formed by ARD and NORM waste will be backfilled into the previously lined and isolated mined pit, along with ripios from the spent heaps. These lined and backfilled areas will then be properly encapsulated.

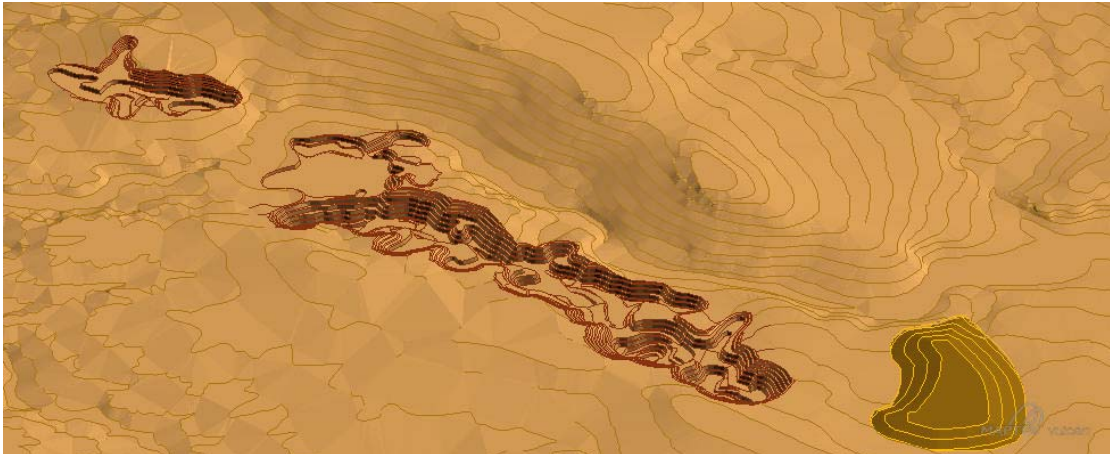


Figure 2: Retortillo pits and permanent waste dump

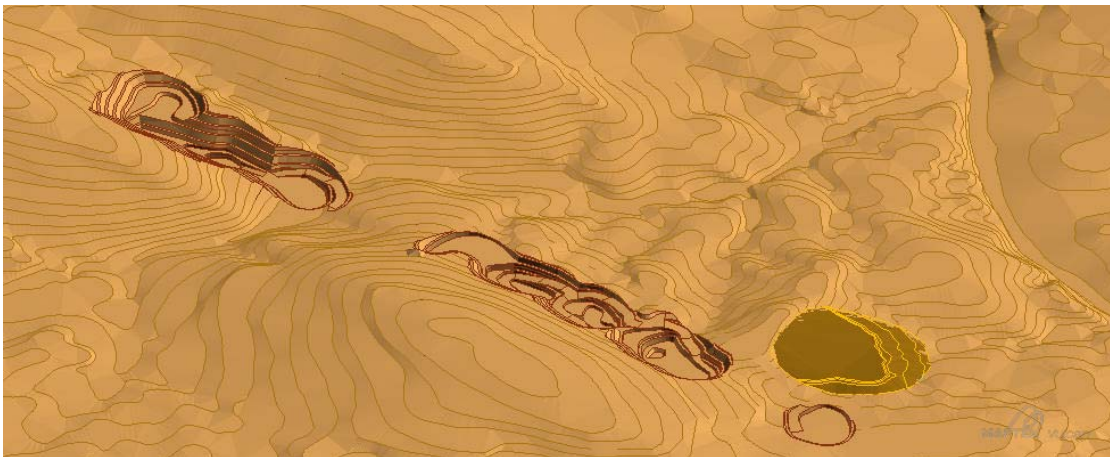


Figure 3: Santidad pits and permanent waste dump

The mining schedule begins at the Retortillo deposit, from NW to SE, and finishes at the Santidad deposit, also developed from NW to SE. Exploitation benches will be 6m high and waste dumps will be built with 10m benches.

The mining method utilised will be “transfer mining”. This will allow Berkeley to backfill the pit continuously, minimizing waste rehandling, whilst also allowing a continuous rehabilitation program that minimizes the environmental impact. Ore and waste will be produced using drill and blast procedures. Ore transport is expected to use 100 ton trucks.

The mine design provides for an optimal and operational CoG of 96 ppm U₃O₈. The resulting production for Retortillo and Santidad is as follows:

ANNUAL PRODUCTION FROM THE MINE										
Year	Ore (ton)	U ₃ O ₈ (ppm)	Waste (m ³) NORM	Waste (ton)NORM	Waste (m ³) ARD	Waste (ton) ARD	Waste (m ³) Oxide	Waste (ton) Oxide	Total (m ³)	Total (ton)
2013	589.769	219,98	92.400	232.616	356.400	898.902	198.000	475.820	880.800	2.197.107
2014	1.366.757	271,76	226.380	568.570	510.300	1.283.374	1.942.140	3.765.710	3.223.020	6.984.410
2015	2.200.240	363,98	169.212	423.211	1.027.320	2.580.527	1.404.060	3.232.181	3.476.760	8.436.160
2016	2.200.648	277,86	200.057	505.729	660.066	1.668.632	1.866.300	3.534.734	3.597.123	7.909.744
2017	2.200.881	349,12	149.816	377.609	1.219.252	2.956.807	1.522.972	3.120.703	3.756.526	8.656.001
2018	2.200.441	340,21	157.723	404.210	857.326	1.934.069	2.155.378	3.924.185	4.033.319	8.462.905
2019	2.200.827	333,62	192.858	495.106	1.811.336	4.536.423	782.475	1.767.853	3.657.689	9.000.210
2020	2.199.965	233,73	192.599	483.644	1.887.384	4.746.046	769.575	1.743.163	3.727.787	9.172.819
2021	2.198.531	248,49	160.869	382.933	445.653	1.121.960	619.253	1.331.131	2.133.840	5.034.555
2022	2.198.988	242,88	151.767	377.409	278.491	707.421	992.523	2.143.693	2.323.822	5.427.511
2023	937.066	219,78	58.571	148.738	284.372	741.281	315.225	686.851	1.031.966	2.513.937
Total	20.494.112	291,07	1.752.250	4.399.778	9.337.900	23.175.444	12.567.900	25.726.024	31.842.650	73.795.358

Table 2. Annual production from the mine

Production summary:

- Ore Production: 20.494 Mt @ 291 ppm (13.15 Mlb U₃O₈)
- Waste Production: 54.4 Mt (Strip Ratio: 2.65:1)
- U₃O₈ mined: 13.15 Mlb
- U₃O₈ Recovered at the plant: 11.5 Mlb (@ 87.5% recovery)

Mine operating cost estimates were based on calculated take-offs and distances designed. Prices have been supported by actual quotations from specialized mining contractors, with contracts currently ongoing in Spain.

The mine operating cost is estimated at 6.86 € per ton of ore produced.

4. PROCESS PLANT

From 2008, Berkeley has carried out significant metallurgical testwork on the Retortillo ore, including: ore sorting, crushing, comminution, and dynamic and static leaching. This testwork demonstrated that Retortillo's ore is ideal for heap leaching, producing recoveries in excess of 90%, with leaching times around 30 days and with acid consumptions of 20 kg/ton or lower.

The ore is ideal for bacterial leaching, with the required natural bacteria already existing in the ore. This will provide further cost savings by eliminating the need for the addition of a chemical oxidant whilst reducing net acid consumption via the natural acid generation process.

For these reasons the basic scheme that is designed for the Salamanca 1, Stage 1 (Retortillo and Santidad) project is an on-off pad heap leach. The rípios (spent ore) will be backfilled into lined and isolated areas previously mined within the pit. The uranium will be treated via Solvent Extraction (SX) followed by ammonia precipitation, calcination, and packaging. The leach pad will utilise a triple layer of isolation (HDPE+clay).

Apart from the simplicity, this arrangement is ideal from the environmental point of view; minimizing the footprint of the affected area, avoiding slurry and the requirement for a tailing dam, placing the rípios encapsulated with the ARD and NORM waste inside the pit, and allowing high quality continuous rehabilitation of the site.

The plant flowsheet is as follows:

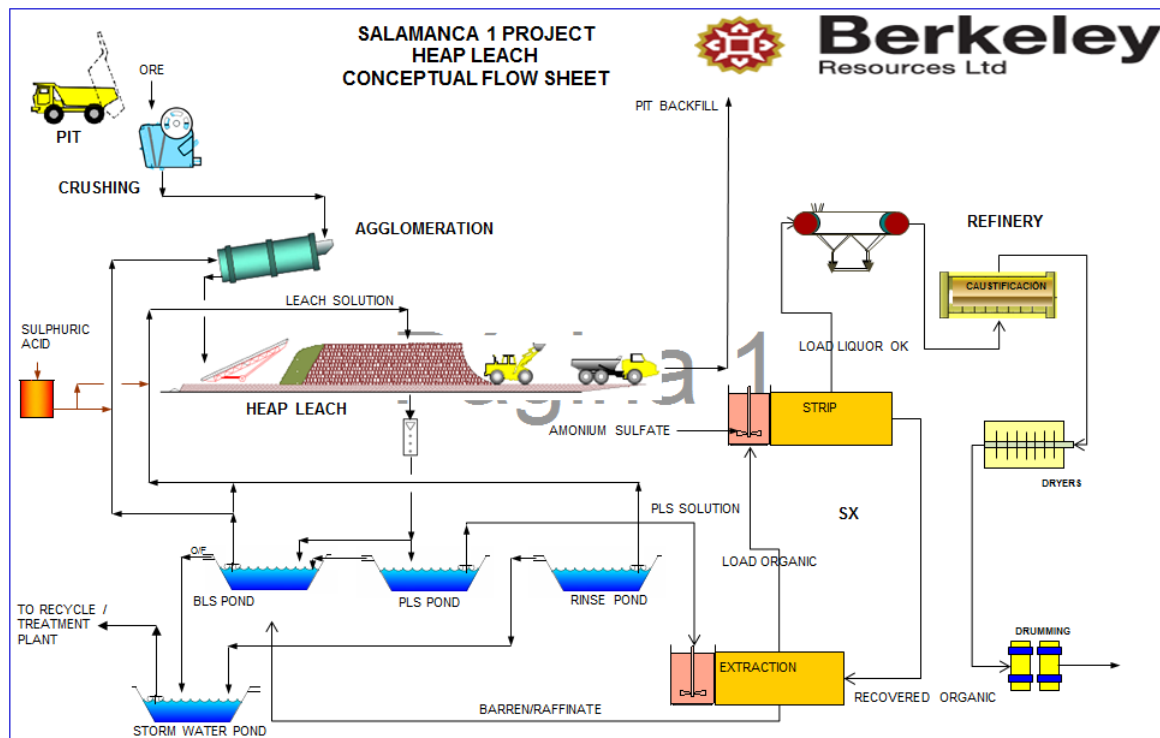


Figure 4: Plant flowsheet

The process plant will be located at the Retortillo deposit. Santidad ore will be primary crushed and conveyed to Retortillo for processing.

An allowance has been made for the future installation of resin elution (CIX) and a resin regeneration area within the project design. This will allow Berkeley to treat production from the satellite deposits at Retortillo's centralized process plant. These satellite deposits, including Gambuta, are a central focus for investigation and development by the company over 2012 as part of the next stage of the Salamanca 1 project.

The Production Schedule for the treatment of Retortillo and Santidad ore through the process plant is as follows:

		TOTAL	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ore Retortillo												
Throughput	tons	15,142.522	1,956.526	2,200.240	2,200.648	2,200.881	2,200.441	1,828.640	1,486.895	1,068.251	0	0
Grade	ppm	309	256	364	278	349	340	329	230	292	0	0
U3O8 (produced)	lb	9,040.099	966.752	1,544.867	1,179.539	1,482.203	1,444.072	1,161.969	659.119	601.578	0	0
Ore Santidad												
Throughput	tons	5,351.590	0	0	0	0	0	372.188	713.069	1,130.280	2,198.988	937.066
Grade	ppm	239	0	0	0	0	0	354	242	207	243	220
U3O8 (produced)	lb	2,466.969	0	0	0	0	0	254.388	332.787	452.255	1,030.258	397.281
Total Ore												
Throughput	tons	20,494.112	1,956.526	2,200.240	2,200.648	2,200.881	2,200.441	2,200.827	2,199.965	2,198.531	2,198.988	937.066
Grade	ppm	291	256	364	278	349	340	334	234	248	243	220
U3O8 (produced)	lb	11,507.068	966.752	1,544.867	1,179.539	1,482.203	1,444.072	1,416.358	991.906	1,053.832	1,030.258	397.281

Table 3: Production Schedule

This schedule has contemplated a process recovery of 87.5%, which is considered conservative, but minimises the risk associated to this factor. The production profile is anticipated to be expanded with the addition of the Satellite and Gambuta deposits, as further resource definition work is completed through 2012.

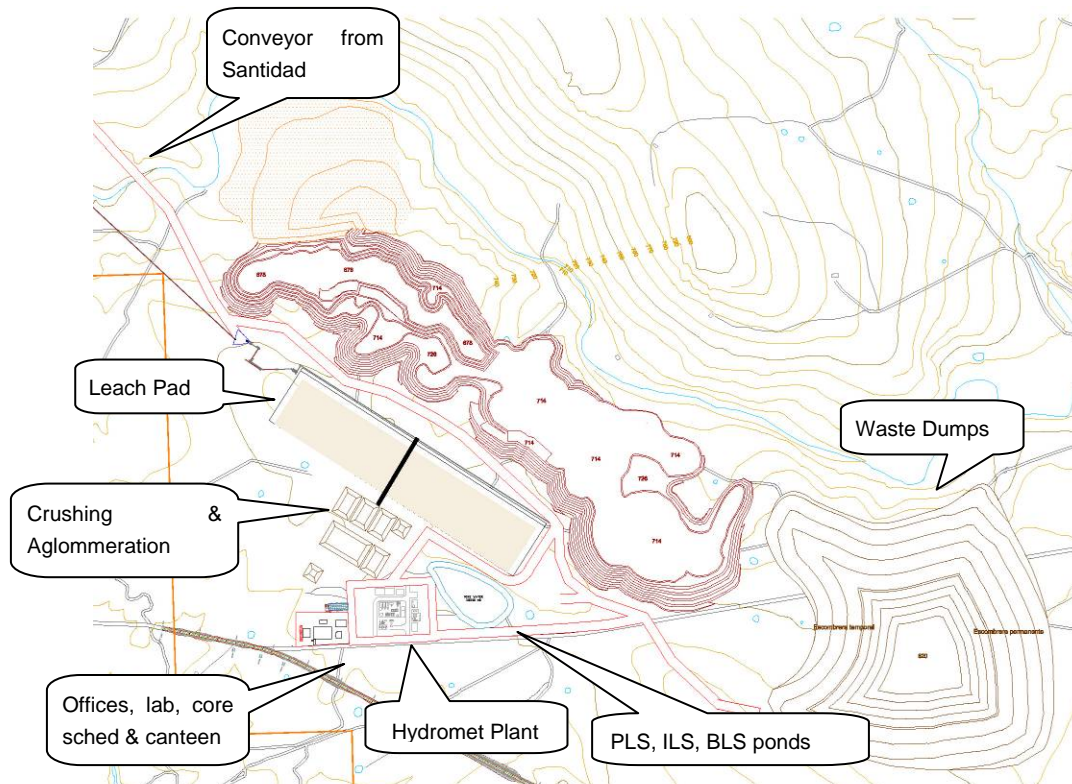


Figure 5: Retortillo Site layout at the end of Phase 4 (backfill not superimposed)

Plant CAPEX was estimated based on takeoffs from similar facilities that Berkeley has designed over the last year, and factored for the ancillary facilities. Costs have been provided by Spanish contractors specialized in these type of facilities.

Plant OPEX (including energy, personnel, etc) was calculated based on actual costs provided by commodity suppliers.

The processing cost has been calculated at 4.71 €/ton.

5. WASTE MANAGEMENT & REHABILITATION

Waste has been characterized and classified into four types:

- Oxide waste: An inert waste that can be handled as a typical mining waste. Waste disposals for Oxide waste are designed ensuring physical stability and are restored on site, adapting the profile to the geographical one with a similar type of vegetation regenerated to that currently existing.
- ARD: Potential acid generator due to a residual sulphide content.
- NORM: Can contain very low residual uranium, at a lower grade than the breakeven cut-off grade.
- Ripios: Spent ripios can be considered as an ARD and/or NORM waste due to it having the same physical-chemical characteristics as the ARD or NORM.

As previously stated, Oxide waste is placed on permanent waste dumps and is partially used for the final restoration of the pits in the volume required. These dumps generated during the early years of operation are immediately restored, being used also as a barrier to minimise visual impact.

ARD, NORM and ripios are placed onto temporary dumps designed with the required isolation from the ground (HDPE and geo-membrane) during the early days of production, or back in the mined pit once the basin has been prepared in order to warrant the full encapsulation of these wastes.

At the end of the mine life the whole volume of ARD, NORM waste and ripios are encapsulated into the completed pit, and the surface is rehabilitated as per the existing profile and vegetation.

Figures 6 to 12 below illustrate the continuous rehabilitation program that will be utilised throughout mining operations on the Retortillo deposit.

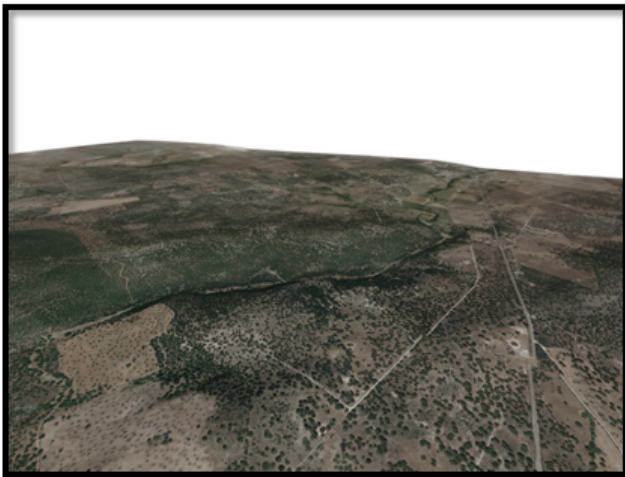


Figure 6: Aerial view Retortillo area. Current situation.

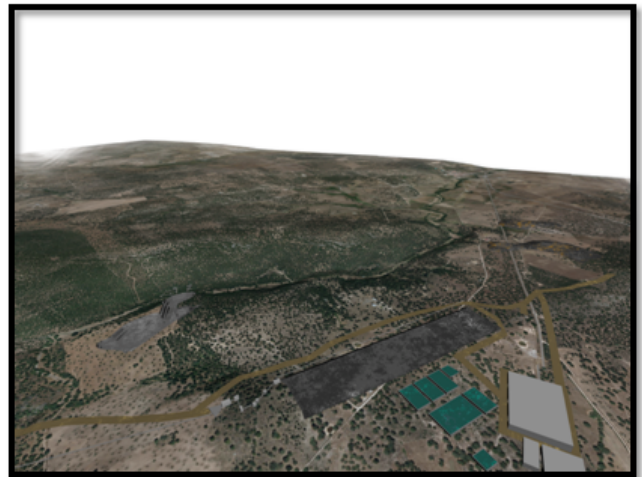


Figure 7: Aerial view Retortillo area. Phase 1.

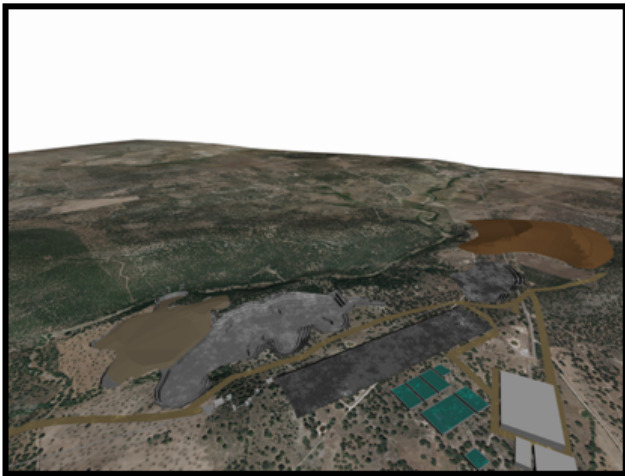


Figure 8: Aerial view Retortillo area. Phase 2.

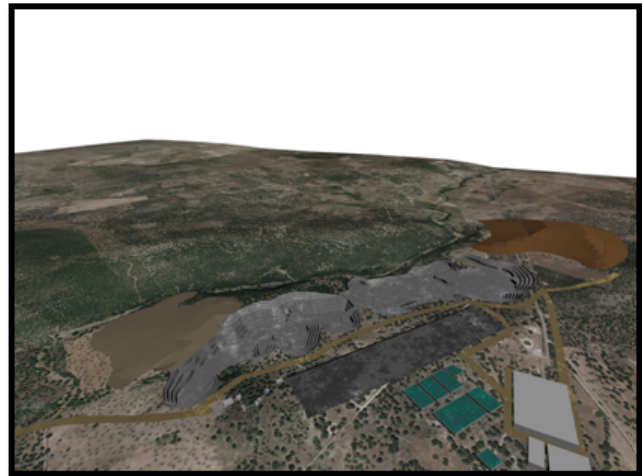


Figure 9: Aerial view Retortillo area. Phase 3.

Figures 6 to 9: Aerial views of the Retortillo area

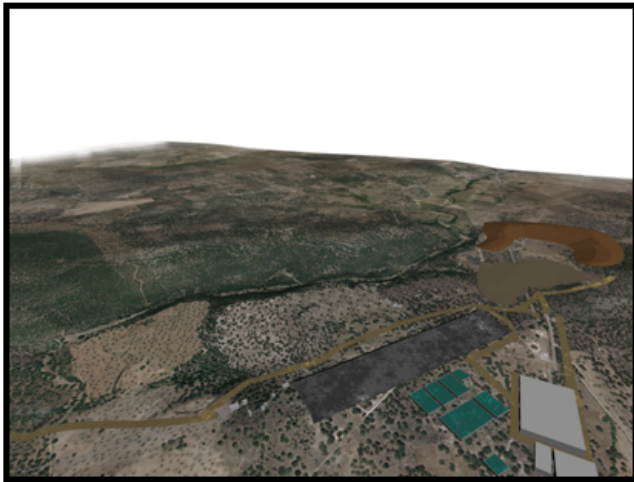


Figure 10: Aerial view Retortillo area. Phase 4.

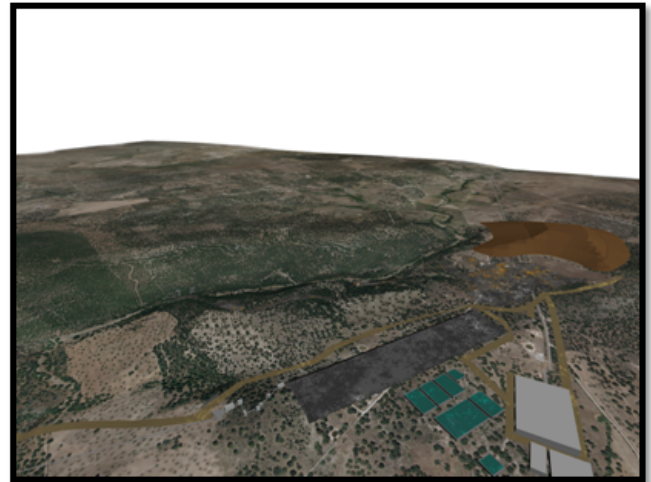


Figure 11: Aerial view Retortillo area. Phase 5.

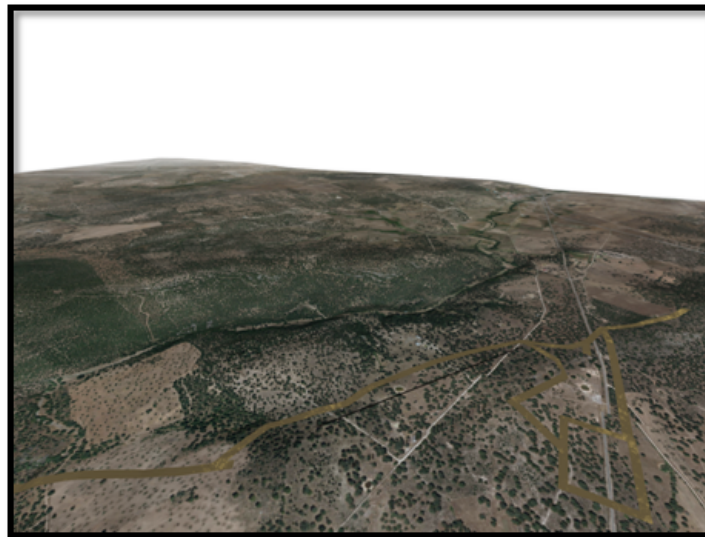


Figure 12: Aerial view Retortillo area. Phase 6, After Restoration.

Figures 10 to 12: Aerial view of the Retortillo area

6. CAPEX, OPEX AND FINANCIAL MODEL

Main figures are as follows, and are in consideration of production from Retortillo and Santidad deposits only:

- Assumptions:
 - U_3O_8 price: 65 USD/lb
 - USD/€ 1.32
 - Discount Rate: 8%
 - Contingency on CAPEX: 15%

- Production:
 - LoM: 10 years (in production)
 - Ore: 20.5 MT @ 291ppm U₃O₈
 - Strip Ratio: 2.65
 - U₃O₈ produced: 11.5 Mlbs (1.42 Mlbs/annum average during the first 6 years)
- Financials:
 - CAPEX during LoM: 83.7 M€
 - Preoperational CAPEX: 62.5 M€ (contingency included)
 - Restoration: 31.7 M€ (closure included)
 - Total Cash Cost (Including Royalties): 30.3 USD/lb
 - Total Prod Cost (including restoration): 33.93 USD/lb
 - NPV: 136.2 M\$ (USD)
 - IRR: 47%
 - Payback: 1.9 year

7. CONCLUSION

The Preliminary Feasibility Study demonstrates a project with competitive operating metrics and robust economics. Berkeley believes that Stage 1 (Retortillo and Santidad deposits only) of the Salamanca 1 Project presents excellent shareholder value and furthermore the project offers considerable upside through incorporation of the wider Salamanca 1 permits, including the Retortillo Satellite and Gambuta deposits. Berkeley, therefore, intends to progress the development as quickly as possible, and as such has submitted the Exploitation Project to the Spanish Regional Administration for approval.