Quarterly Activities Report – December 2009

PERTH, Western Australia: Berkeley Resources Limited ('Berkeley' or 'Company') (ASX: BKY, AIM: BKY) is pleased to present its quarterly report for the period ended 31 December 2009. The Company's primary focus during the period was advancing its Salamanca Uranium Project, in Spain. The quarter's highlights include:

1) The Salamanca Uranium Project Scoping Study released in December 2009, strongly demonstrating the technical and economic viability of the Project. The Company is now moving forward into a Definitive Feasibility Study (DFS) phase commencing early 2010.

Highlights of the Scoping Study include-

- Annual production of 2.1mlbs over life of mine (+16 years).
- Various processing options considered including use of the existing Quercus tank leach Plant.
- Satellite heap leach operations at Retortillo and Santidad.
- Cash operating costs under the scenarios in the Study ranged from US$26.15 - $29.65 per lb of U_3O_8 produced, including rehabilitation cost allowance.
- Capital costs to re-commission the Quercus plant – fully loaded with a 20% contingency and based on all new equipment – range from US$51.3m for the heap leach scenarios, to US$88.9m for the tank leach scenarios.

2) JORC compliant resources for the near surface open-pittable deposits at Alameda, Sageras and Mina D are on target to be reported in Q1 2010. The drilling and assay results to date confirm strong correlation with the historical information and lend considerable confidence to the above Study parameters.

3) The exploration potential of the project area has developed as more data is gathered. Recent results of "extended" drill holes undertaken during the confirmatory drilling campaign have indicated significant upside potential.

4) The Company has also been strengthening the management team at Berkeley, recruiting local and international mining professionals of various disciplines that will allow the Company to progress with the DFS.

Key Developments

- Mr Ian Stalker, appointed as the new Managing Director and Chief Executive Officer.
- Restructure of royalty arrangements with the original founders and vendors of Berkeley's Spanish subsidiary, Minera de Rio Alagon (MRA).

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Salamanca Uranium Project

Introduction

Berkeley's Salamanca Uranium Project is located in Salamanca Province, Spain, approximately 250km west of Madrid, near the Portuguese border.

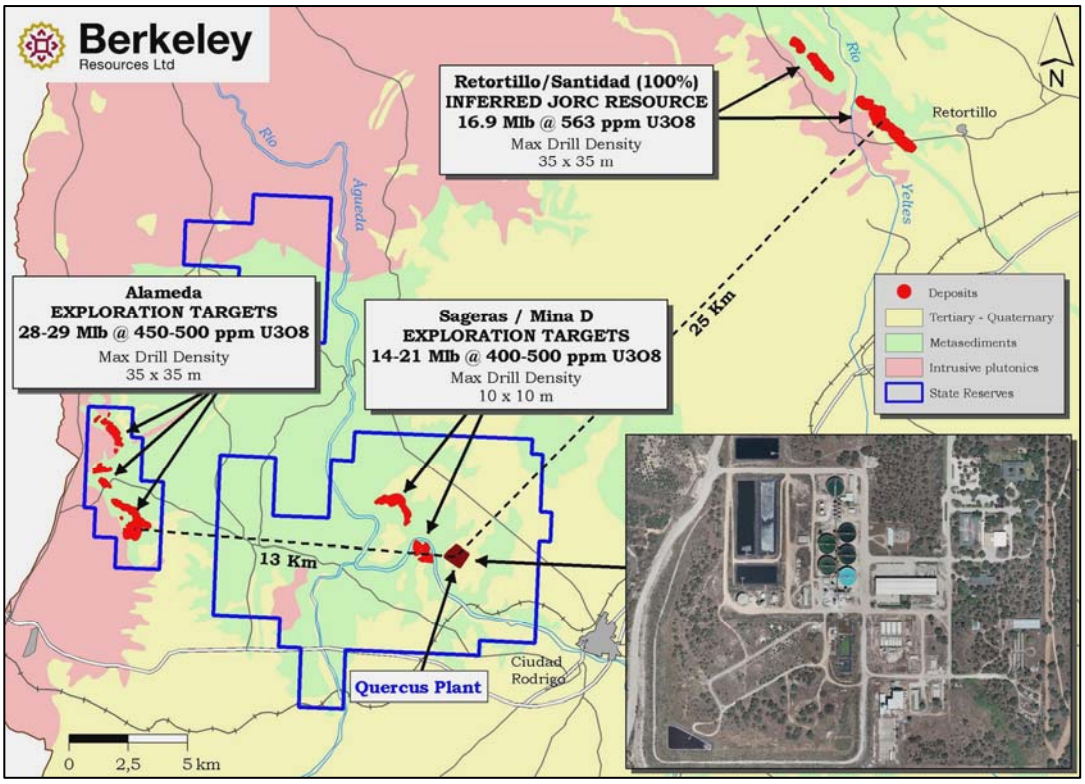


Figure 1 – Salamanca Uranium Project

The Project comprises a number of State Reserve licenses and the previously licensed Quercus uranium processing plant, presently owned by ENUSA Industrias Avanzadas SA (ENUSA), the Spanish state uranium company, as well as Berkeley's own extensive tenement holdings in the area.

Berkeley has agreed to acquire a 90% interest in the ENUSA assets after completion of a feasibility study on the Project. Berkeley will pay ENUSA €20m, and a royalty as well as leasing the Quercus plant. For further details of the Co-operation Agreement, please see the Berkeley announcement dated 10 December 2008.

Under the Agreement, the feasibility study is scheduled to be completed by November 2010. The Scoping Study has reviewed the ENUSA information pertaining to the historic exploration and operations on the State Reserves and assessed the various processing options and demonstrated the potential Project viability.

Scoping Study – Conclusions

Processing Options

The Salamanca Uranium Project Scoping Study considered 4 different scenarios, with a view to firstly, verify the potential value of the ENUSA assets and secondly, to compare the likely processing alternatives. The first 3 scenarios considered mining only the Mina D, Sageras and Alameda South deposits and then 3 different processing alternatives.

1. Tank leaching all ore produced at the Quercus plant, with ore from Alameda South trucked to the Quercus plant on a purpose built haul road,

2. Tank leaching all ore produced at the Quercus plant, with ore from Alameda South transported to the Quercus plant on a purpose built conveyor belt,

3. Heap leaching all ore produced and transporting pregnant solution to the Quercus plant for processing, extraction and packaging.

The fourth scenario also considered mining and heap leaching Berkeley's more distant Retortillo and Santidad deposits.

4. Heap leaching Mina D, Sageras, Alameda South, Retortillo and Santidad and processing solution at the Quercus plant.

For further details see Berkeley's announcement dated 2 December 2009.

Conclusions

- Cash operating costs under the various scenarios in the Study ranged from US$26.15 - $29.65 per lb of U_3O_8 produced over the life of the Project, including a very high standard of rehabilitation.

- Capital costs to re-commission the Quercus plant fully loaded with a 20% contingency and based on all new equipment - range from US$51.3m for the heap leach scenarios, to US$88.9m for the tank leach scenarios.

- The Study is based on mining a number of deposits within the ENUSA State Reserves, which collectively have exploration targets ranging from 28.0-34.1Mt of ore at grades of 440-540 ppm of U_3O_8, as well as the Company's JORC resources in the area of 15.9m lbs.

- Mining is relatively simple, shallow open pit mining with drill, blast, load and haul undertaken by local contractors. The average strip ratio for the various pits included in the Study ranges from 2.4:1 when including the Retortillo and Santidad deposits, or 1.9:1 without.

- The Project is already served by all necessary major infrastructure requirements.

- In order to allow comparison of the alternative scenarios, the Study assumed a uranium price of US$55/lb and production of 2.1m lbs pa of U_3O_8 over the Project life, effectively the permitted capacity of the Quercus Plant. Based on our current understanding, future modeling will also consider potential to increase the permitted capacity of the plant in order to optimize early cash flows. There are good reasons to expect the Project could ultimately produce for over 20 years, including feed from Retortillo and more distant or subsequent resources.

- The Study has reviewed the environmental, permitting and social considerations for the Project and no substantial impediments have emerged. Discussions with various authorities indicate strong support for the Project at a local level. Permitting timelines indicate that Berkeley's objectives to re-commission production by 2012 are achievable.

- Berkeley always aims at world's best practice for environmental management and rehabilitation. The Scoping Study assumes, inter alia, that all mining voids will be double lined, backfilled and rehabilitated.

NOTE - The ENUSA deposits have been extensively explored by ENUSA but are not classed as mineral resources. The quantity and grade of Berkeley's exploration targets for the ENUSA deposits are conceptual in nature and based on a review of the available data on the projects to date. As there has been insufficient exploration to estimate a Mineral Resource in accordance with the JORC Code, it is uncertain whether further exploration will result in the determination of a Mineral Resource**.**

Geology and Resources

The current 60 hole diamond drilling campaign commenced in October 2009 and the planned 5,000m will be completed in February. The main objectives of the campaign are to confirm the historical drill data, provide geological and assay data to enable the calculation of JORC complaint resources and to produce representative material for metallurgical testwork.

Parallel to the diamond drilling campaign, Berkeley is re-probing those historic drill holes in the deposits which remain accessible. To date, over 150 roto percussion holes at Mina D and Sageras have been relogged and the comparison of the Berkeley equivalent uranium grades (eU_3O_8) with the historical eU_3O_8 grades is excellent.

The Scoping Study assessed all of the available historical data with detailed fieldwork checks completed at all of the Project deposits. In addition, an evaluation of the exploration potential was conducted for the remaining State Reserves. The main conclusions are:

- High confidence in the quality of the historical data.
- Confirmation of the historical exploration targets.
- Excellent potential at Mina D, Sageras and Alameda South, for defining additional resources.
- Strong exploration potential in a number of mineralised areas proximal to the main deposits.

29 diamond drills were drilled during the quarter.

Deposit	Number of Holes	Drill Metres
Mina D	15	1,505
Sageras	10	628
Alameda South	4	317
Total	**29**	**2,450**

Table 1 – Diamond Drilling current status

Deposit	Hole ID	Interval (m)	eU_3O_8 (ppm)
Alameda	ASD-001	3.2	5,904
Alameda	ASD-002	47.5	2,120
Alameda	ASD-003	26.7	495
Alameda	ASD-003	36.8	539
Mina D	MDD-003	31.2	446
Mina D	MDD-007	7.8	3,104
Mina D	MDD-011	9.9	1,579
Sageras	SGD-001	27.5	707
Sageras	SGD-002	21.9	587
Sageras	SGD-003	49.5	1,225
Sageras	SGD-007	66.7	391
Sageras	SGD-009	38.4	848
Sageras	SGD-010	35.8	508

Table 2 – Significant intersections from drilling to date

Full tables of eU_3O_8 intersections are included in the Appendix. The intersections have been calculated using a nominal 200ppm lower cutoff and a minimum thickness of at least 1 metre. All of the intersections correlate well with the historical drill hole data in both thickness, location down the hole, and grade. The intersection widths are approximately true thickness as the drill holes have been planned to intersect the shallow dipping mineralised zones at right angles.

Mina D Deposit

The Mina D deposit is entirely hosted within weakly metamorphosed, structurally complex fine grained metasediments. The dominant lithologies in the Mina Fe district are shales that have been metamorphosed to phyllites.

The principal uranium minerals are late stage, hydrothermal pitchblende and coffinite, hosted within NE-SW striking, laterally continuous fault breccias and shears dipping between 30 and 70 degrees to the NW (Figure 4). The main uraniferous stage is the last in the hydrothermal process and the uranium minerals being spatially but directly related to minor quartz sulphide and carbonate, siderite gangue. Figure 2 is a photomicrograph of a mineralised vein in hole MDD-001 (Figure 4) showing pitchblende aggregated along the walls of the vein. The photo also shows pitchblende distributed within the host rock at the walls of the main vein and extending out in a perpendicular veinlet.

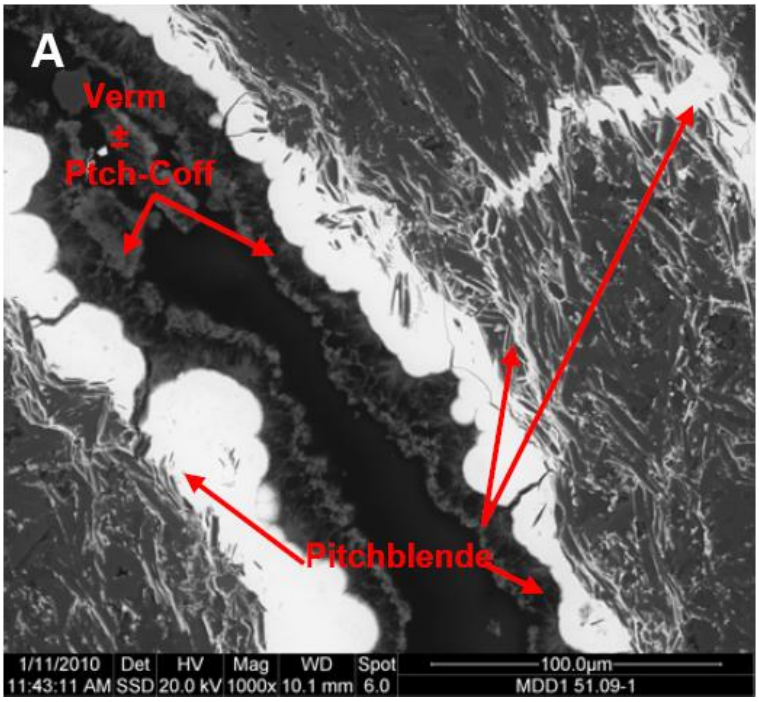


Figure 2 – Photomicrograph of Colloform pitchblende aggregates along the walls of a vein.

A consultant Structural Geologist has logged the entire Mina D diamond drill core and interpreted the structural zones as detachment faults, initiated during the first phase of deformation. Within these broad structural zones, the mineralisation is in steeply dipping, syntectonic thin erratic fracture veins, impregnations in bedding-parallel (and cross-cutting) breccias, and as powdery U-oxides permeating along bedding-foliation planes and irregular late tectonic fractures.

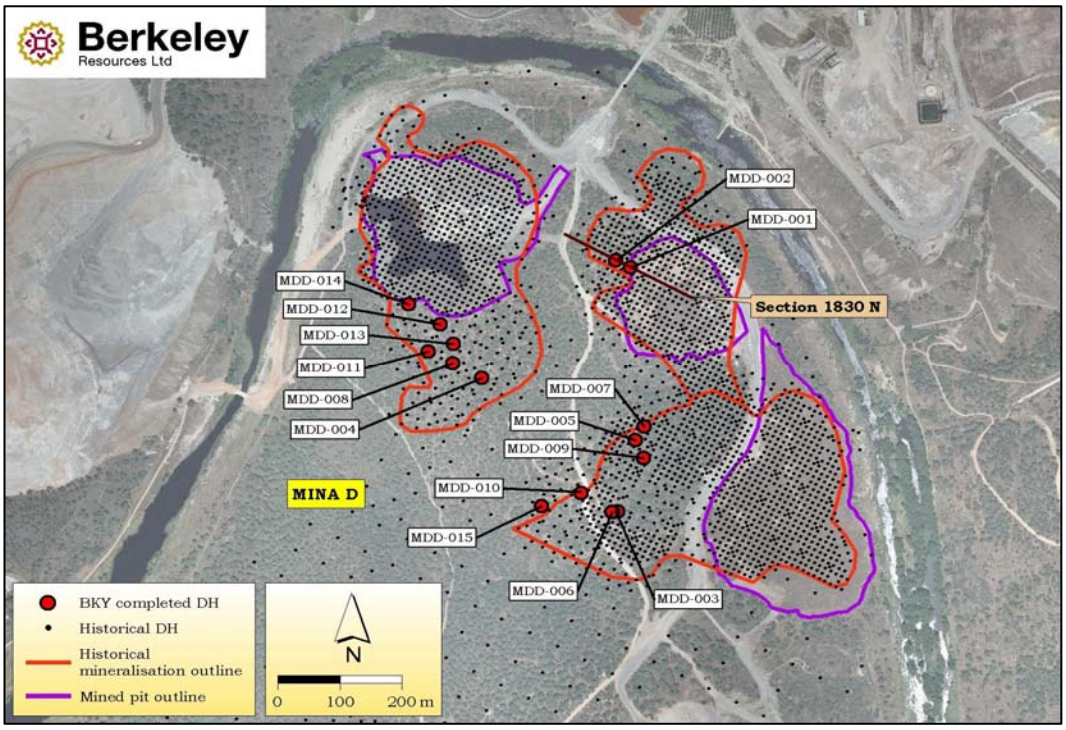


Figure 3 – Location of drill holes at Mina D Deposit

Fifteen diamond drill holes were completed at the Mina D deposit (Figure 3). The e-grades calculated by Berkeley from the down hole gamma measurements correlate well with the surrounding historical drill holes, as illustrated in Figure 4 on section 1830N.

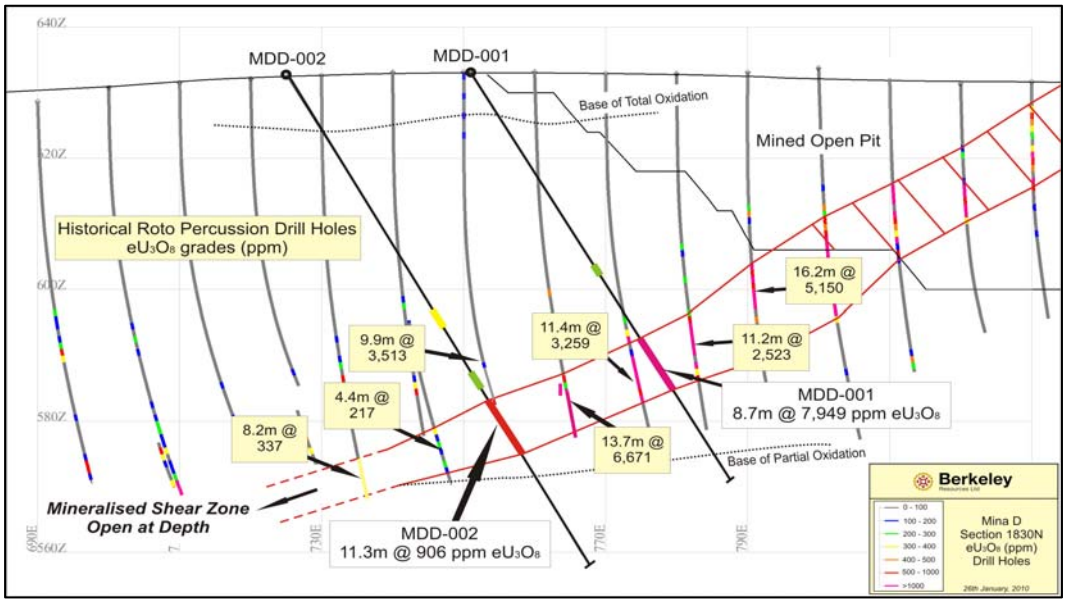


Figure 4 – Mina D 1830N section

Sageras Deposit

10 diamond holes were completed at the Sageras deposit in the quarter. The mineralisation is hosted entirely within metasedimentary rocks very similar to those at Mina D. The uranium minerals were also formed by low temperature, hydrothermal fluids and are hosted within narrow high grade veinlets and fractures that form a stockwork of considerable vertical and lateral extension with localised, higher grade breccias.

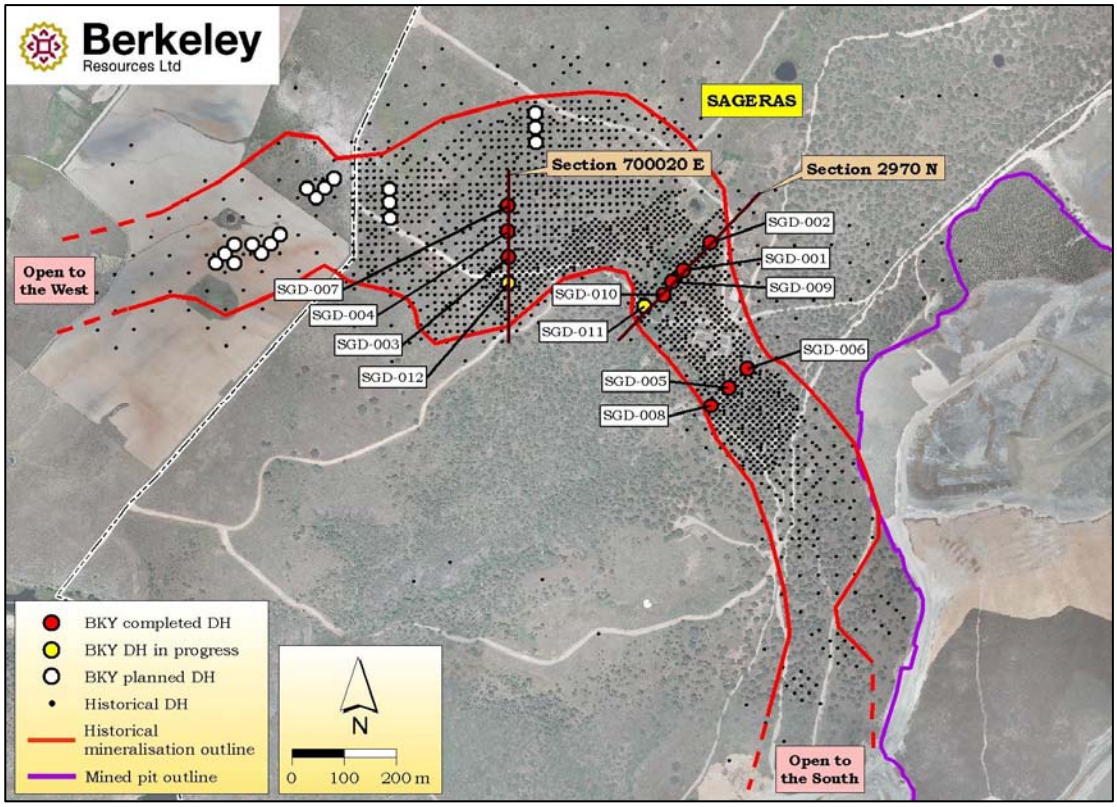


Figure 5 – Location of drill holes at Sageras Deposit

Figure 6 is a cross section (2970N) through the Sageras orebody showing the Berkeley drill holes superimposed on the historical drill data and grade contours generated from them. The comparison in all holes is excellent, in particular SGD-001 and the closest roto percussion hole (collars less than 5 meters apart) where the e-grades have a very strong match in width and grade over the entire mineralised section.

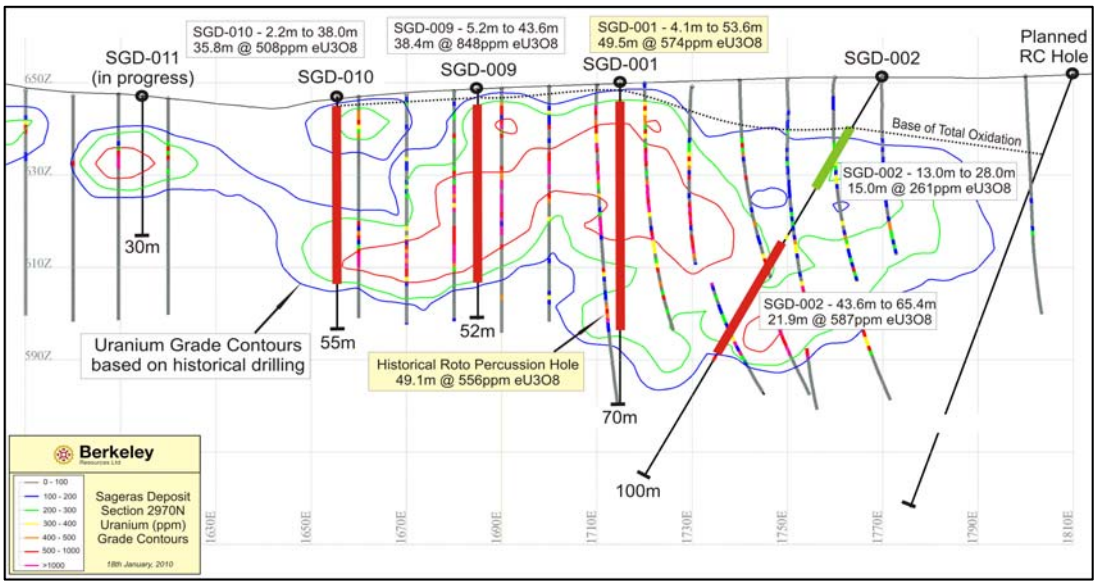


Figure 6 – Sageras Cross Section 2970N

In addition to providing confidence in the historic data, the drilling at Sageras demonstrates the strong exploration potential below the limits of the previous drilling. Figure 7 is a cross section through the centre of the deposit showing the results of the recent drilling. Holes SGD-004 and SGD-007 not only confirmed the historical results in the upper parts of the hole, but also intersected significant and previously untested mineralisation to depths of 30 metres below the limits of the previous drilling. RC drilling will target potential extensions indicated by these highly promising results.

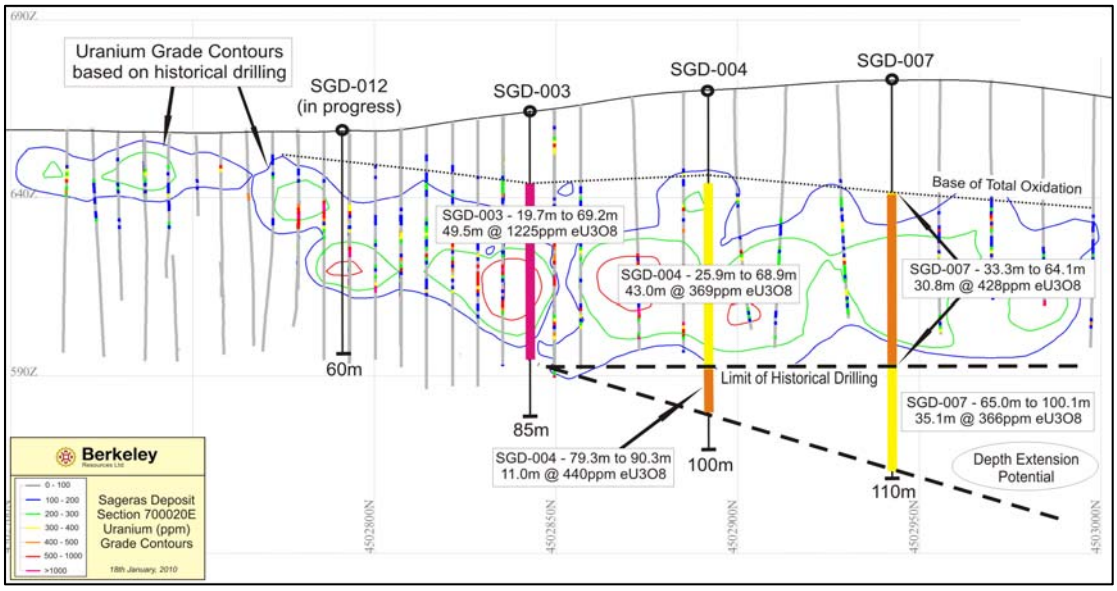


Figure 7 – Sageras Cross Section 700020E

Diamond drilling at Sageras is expected to be completed by the middle of February. A subsequent campaign of RC drilling is planned to test the apparent lateral and depth extensions of the deposit and also to provide further data for less densely drilled areas of the deposit.

Alameda South Deposit

Geologically, the Alameda South deposit is similar to the Sageras and Mina D deposits, with the principal difference being intense contact metamorphism effects on the host lithologies and the intrusion of numerous thin granitic dykes and sills. The uranium mineralisation has a strong structural control being present on fractures and within quartz carbonate sulphide veins.

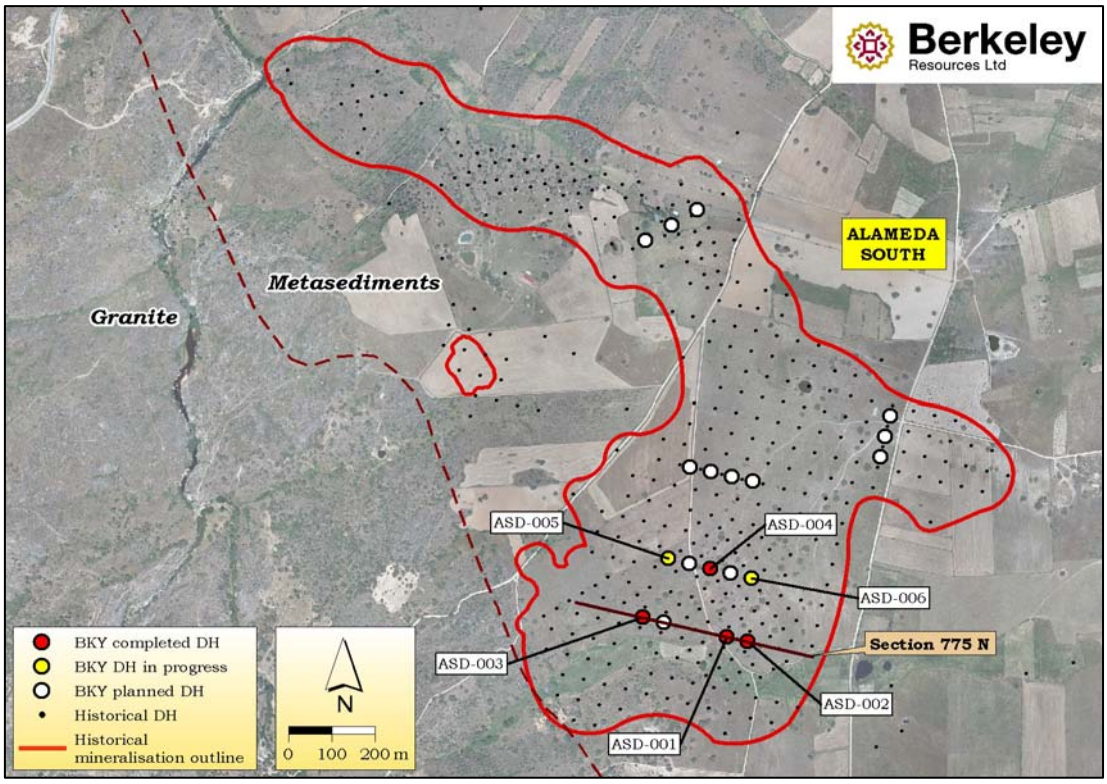


Figure 8 – Location of drill holes at Alameda Deposit

Figure 8 shows the close proximity of the deposit to the granite intrusives. The Berkeley drilling has intersected numerous granitic dykes that appear to correspond with a higher amount of fracturing in the surrounding metasediments and an associated increase in mineralisation.

Drilling at the Alameda South deposit commenced in December (Figure 8) and the 4 holes completed to date have targeted the higher grade centre of the deposit. All 4 holes have intersected thick and/or high grade mineralisation similar to the surrounding historical holes. Noteworthy is the near surface, high grade mineralisation in ASD-001, with e-grades up to 6,000ppm only 3 metres below the surface (Figure 9).

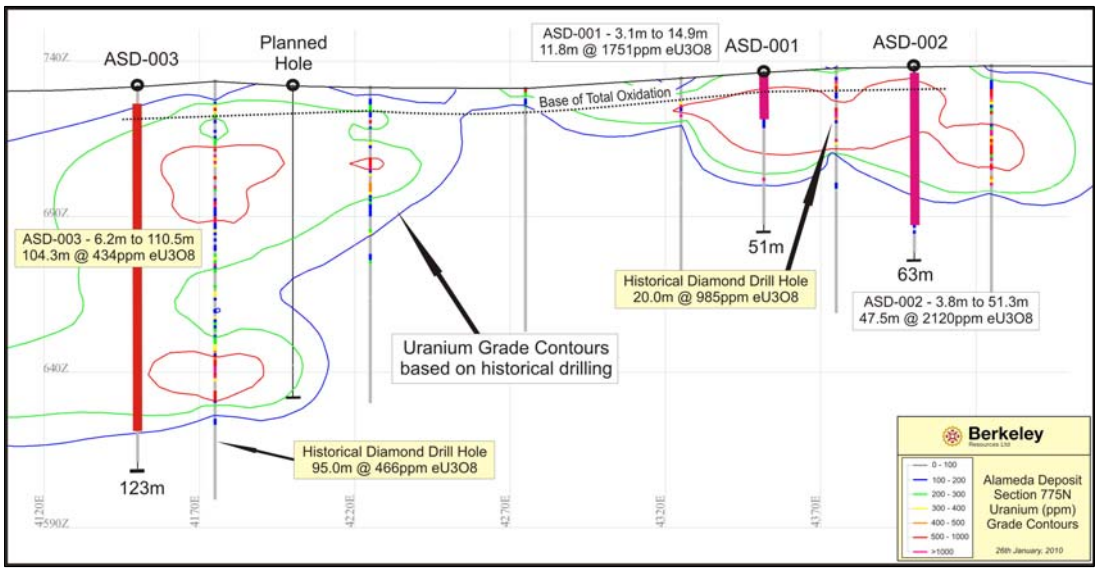


Figure 9 – Alameda South Cross Section 775N

Again, the excellent correlation between the recent drill data and the historical data, both in thickness and in grade, (as illustrated by hole ASD-003 shown in Figure 9) provides a high level of confidence in the historical data.

The diamond drilling campaign at Alameda South comprises 19 diamond holes and is expected to be completed by the end of February.

Data Verification

During the quarter an important aspect of the scoping study has been the verification of the historical data which included:

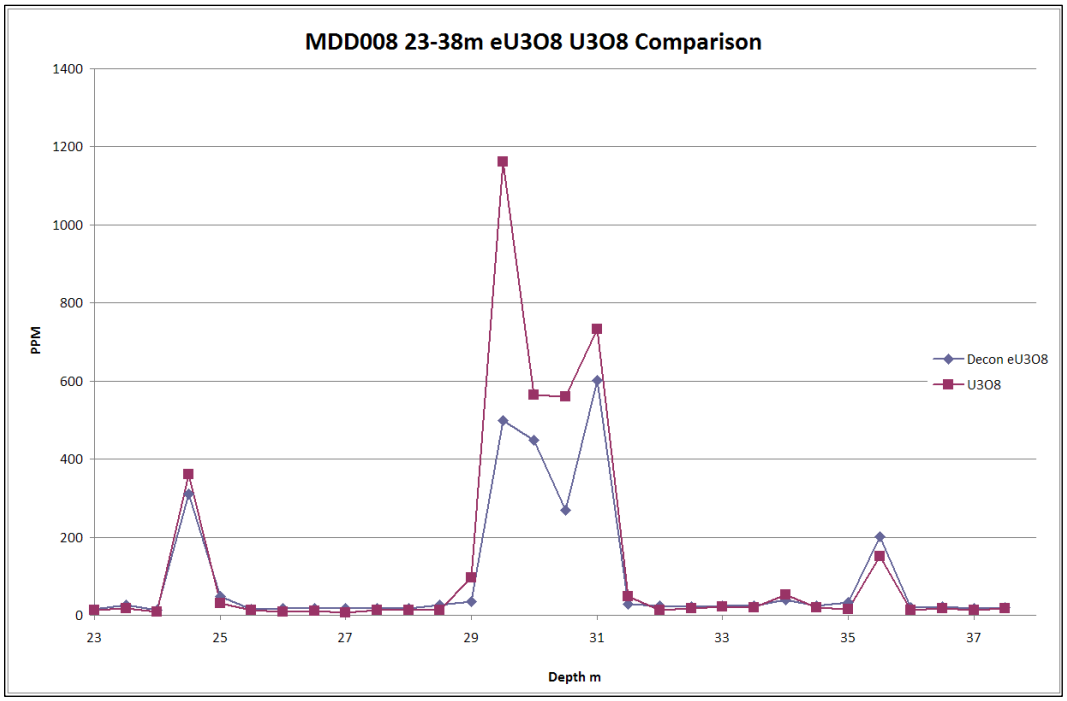
- Exploration history of the Mina Fe deposits
- Location of surface data
- Down hole deviation surveys
- Density measurements
- Down hole radiometric surveys
- Geological mapping

Particular attention was given to the validation of the e-grade calculations as they represent a large proportion of the grades contained in the historical database.

The Berkeley down hole gamma instrument was calibrated at the South Australia Department of Water, Land and Biodiversity Conservation in calibration pits constructed under the supervision of CSIRO.

A batch of 120 half metre full core samples were selected from a number of Berkeley drill holes at Mina D and sent to ALS Chemex in Vancouver for chemical analysis. The results show an excellent correlation with the e-grades generated from the down hole gamma logging. There are some minor differences corresponding to the geological variation of the deposit. In general, radiometric logging is the preferred method for estimating the grade and thickness of uranium mineralisation as the gamma tool measures a volume that can be up to 50 times larger than a typical drill core and thus gives a more representative sample.

Two examples of the comparison between the e-grades (blue) and the chemical assay results (magenta) in hole MDD-008 are shown in Figure 10 below. In this hole, the e-grade slightly underestimates the chemical assay.



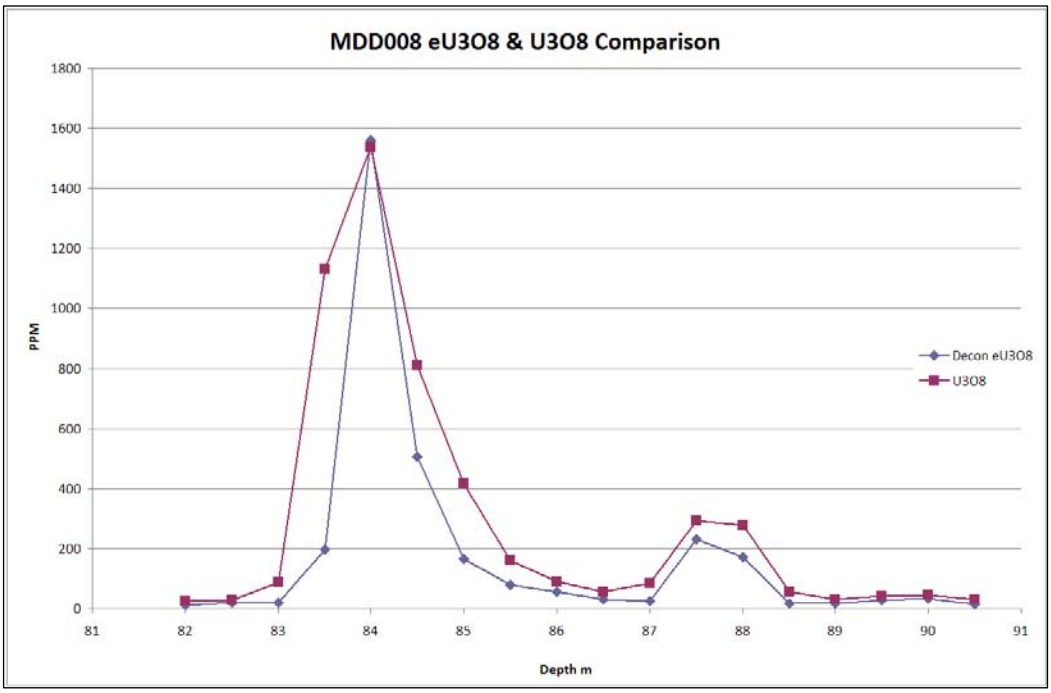


Figure 10 – MDD-008 Chemical Assays Comparison with e-grades

Historical tests have demonstrated that disequilibrium is not an issue on the ENUSA deposits and the initial chemical assay comparisons have confirmed this view.

Berkeley has continued to re-probe historical drill holes at Mina D and Sageras that have remained accessible. To date, over 150 holes have now been re-logged and the comparison of the Berkeley e-grades with the historical e-grades is excellent. Figure 11 shows some examples of the gamma traces of two holes probed by ENUSA (magenta) and Berkeley (blue) that demonstrate the excellent correlation between the two data sets.

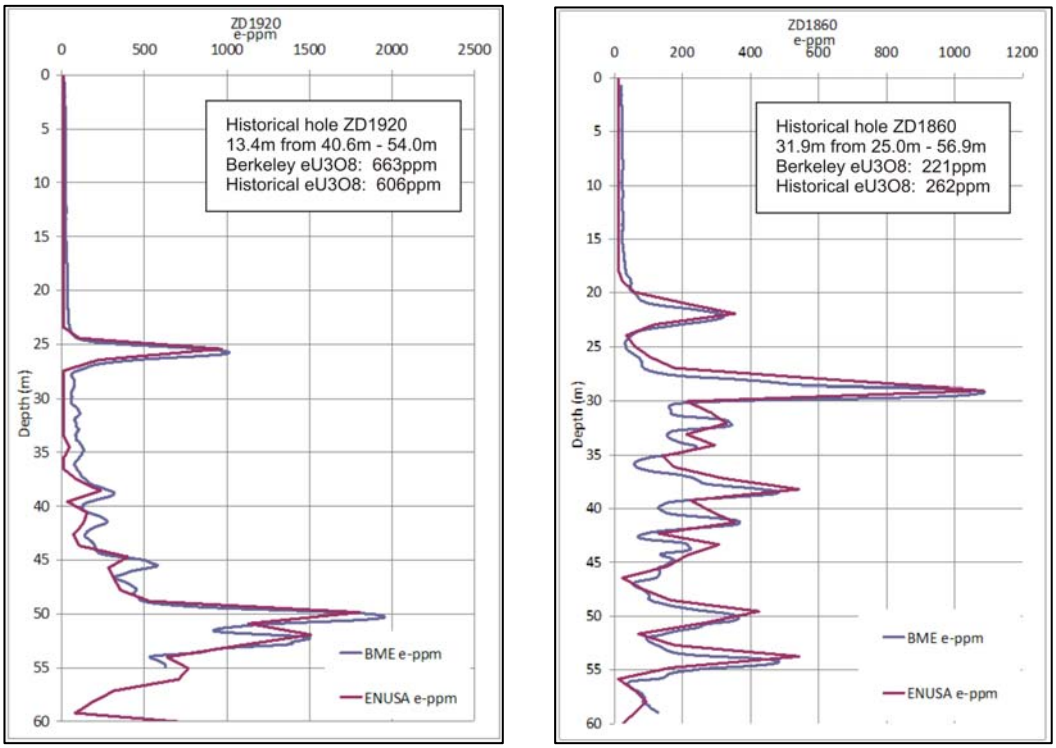


Figure 11 – Zona D Holes 1920 and 1860 Berkeley and historic e-grades.

Mining Studies

The Scoping Study mining studies were completed by AMC Consultants (UK) Limited and were based on producing 2.1mlbs U_30_8 per year over a mine life of +16 years, from Mina D, Sageras and Alameda.

Pit optimisations were completed for the four processing options and Whittle Lerchs Grossman optimised pit shells were selected for mine production schedules.

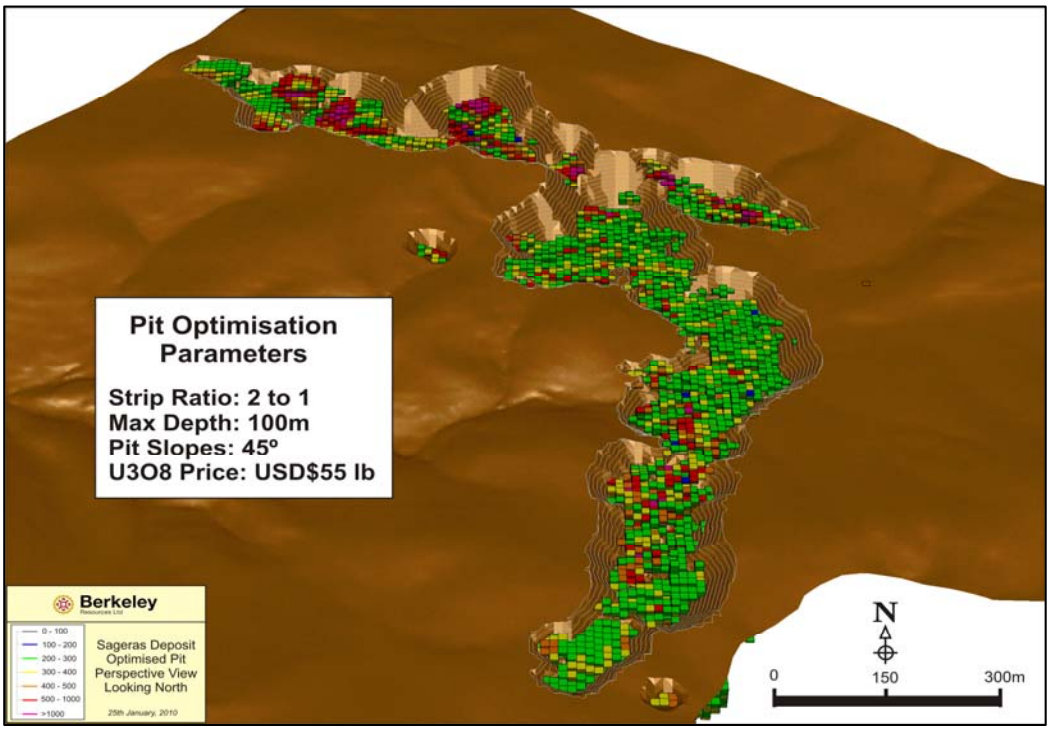


Figure 12 – Sageras South Pit Optimisation

No detailed pit designs were developed for the scoping study. The operating costs and recovery inputs used in the optimisations were generated from provisional proposals from four Spanish mining contractors and Aker Solutions.

At this stage no geotechnical work has been completed by Berkeley although all of the diamond drill holes have been geotechinically logged. Based on the historical ENUSA open pits an overall slope angle of 45 degrees has been applied. All of the pits are relatively shallow (<100m from surface) and therefore the overall slope angle is less significant than it would be for a deeper pit.

The average strip ratios (t:t) generated from the optimisations for the tank leach option was 2.2:1 for Alameda, Sageras and Mina D and 1.9:1 for the heap leach options.

To reduce waste rehandle under each option, backfilling of waste will be conducted throughout the mine's life, although the majority of backfilling is scheduled after the productive years.

Metallurgical and Processing

The four mining and processing scenarios were optimised, scheduled, and costed by AMC Consultants (UK) Limited, based on work prepared by Aker Solutions, Kappes Cassiday and Berkeley.

The tank leach and heap leach metal recoveries were assumed to be 90.7% and 80% respectively. The tank leach estimate is based on historical ENUSA Quercus Plant tank leach recoveries of 92%, adjusted for soluble uranium losses of 2%.

Radiometric sorting has been included in all options based on the radiometric testing that was carried out on samples from the Retortillo deposit. The sorting facility will handle up to 40% of the mined output. The feed will be coarse screen oversize, predominantly +80mm. This will have a lower grade than finer particles. The sorting plant will be tuned to reject at least 50% of its feed material; this represents 20% of the ROM output. The uranium loss in this coarse reject has been projected to be 2% of the total uranium delivered from the mine.

The processing options are essentially based on the historical processes used by ENUSA – for both tank and heap leaching. Both processes are conventional sulfuric acid leach with MnO2 as an oxidant and solvent extraction using kerosene, Alamine and iso-decanol. Historic performance and Berkeley's testwork indicate acid consumption of approximately 22kg/t ore for tank leaching and 16kg/t for heap leaching.

The key elements of both processes are:

Tank Leach Option

- Primary crushing and stockpile
- 3-Stage fine crushing and screening
- Radiometric ore sorting of +80mm material
- Rod milling - P_{80} 7mm
- Tank leach
- Cyclone classification
- CCD washing of slimes
- Horizontal belt filter washing of sands
- Pregnant solution clarification
- Solvent extraction
- Yellowcake precipitation, drying and drumming

Heap Leach Option

- Primary crushing and stockpile
- 2-Stage fine crushing and screening
- Radiometric ore sorting of +80mm material
- Heap leach of minus 12mm ore

- Pregnant solution clarification
- Solvent extraction
- Yellowcake precipitation, drying and drumming

All necessary plant is available for both processes, with the exception of the crushing and milling circuits, radiometric sorting facility and belt filtering, which are included in the capital cost estimates below. It is uncertain whether the existing heap leach facility is the best option for future use and the capital cost also assumes a new facility.

The existing plant has been inspected by Aker Solutions and other consultants and is in a good state of repair, with limited capital required to bring it back to operable condition.

The Project area is accessed by a major highway from Madrid. Electrical power is available and connected from the national grid to the Quercus site and raw water is available from the river adjacent to the mine site.

Aker Solutions and Kappes, Cassiday & Associates Australia were commissioned by Berkeley to produce a scope of work for the testwork program to support the DFS for the Salamanca Uranium Project in Spain. Material from a number of deposits will be tested.

The testwork program includes:

- comminution tests,
- materials handling tests,
- heap leach tests,
- agitated leach tests,
- filtration testwork,
- solvent extraction,
- ADU precipitation testwork.

Representative samples from the confirmatory drilling program will be collected and sent to the selected laboratory in February 2010.

Capital Costs

In the case of tank leaching, the capital cost to refurbish and re-commission the Quercus plant is estimated at US$88.8m.

Plant Area	Capital Cost (US$m)
Crushing	21.18
Ore Sorting	6.56
Milling, Tank Leach, & Belt Filtration	38.14
Refurbishment of Existing Process Plant excluding CCD circuit & Refurbishment of Existing Clarification, SX and Product Recovery	8.17
Laboratory	1.07
SX Organic Inventory	0.60
Contingency	13.17
Total	**88.88**

Table 3 – Capital Cost Estimates for Tank Leach Classified by Plant Area

Potential additional capital costs for transporting ore from Alameda to the Quercus plant are estimated at approximately US$3m for a dedicated haul road or approximately US$50m for a conveyor belt system.

In the case of heap leaching, the capital cost to refurbish the existing Quercus plant final processing stage infrastructure and to build a heap leach facility for Mina D and Sageras is $51.28M.

Plant Area	Capital Cost (US$m)
Crushing	15.15
Ore Sorting	6.56
Heap Leach	16.40
Refurbishment of Existing Clarification, SX and Product Recovery	4.55
Laboratory	1.07
SX Organic Inventory	0.60
Contingency	6.96
Total	**51.28**

Table 4 – Capital Cost Estimates for Heap Leach Classified by Plant Area

Operating Costs

Operating costs have been calculated for the heap and tank leach options and range from $26 - $30 per lb of U_30_8 produced over the life of mine.

The processing operating cost estimates have been provided by Aker Solutions and Kappes Cassidy and take into consideration the scope of work associated with the complete Process Plant, excluding General and Administration costs.

All of the process options operate on a 7 day a week, 3 shift per day basis, with the exception of the product recovery which has been assumed to operate on a day shift only, 5 days per week.

Mining cost estimates have been based on proposals from three Spanish mining contractors.

Rehabilitation and closure costs of $1.00/t material mined have been used and include:

- Transportation of tailings and waste to lined mining pits
- Waste backfill
- Rehabilitation & Reclamation
- Closure costs and monitoring

Environmental & Radiological, Permitting and Social

Golder Associates (Golder) have reviewed the environmental, social and permitting aspects of the Project and based on the processing alternatives considered in the Scoping Study, there are no substantial legislative, environmental or social impediments to the Project. While the environmental standards are high, the permitting process is clear and well understood, given the uranium mining and processing history in the region. Local support to date is positive and the Project could have a substantial positive impact on the economy and employment in a region with limited alternative industry.

The actual permitting requirements and processes for the Project will depend on a number of factors which are as yet undecided. These include the processing route chosen, heap leaching components and locations thereof, mining scheduling, transport options and variations to the plant and historical process.

As a general principle, the more the processing route varies from the historical processing route, the greater will be the permitting requirements and the longer the permitting process. Berkeley has initiated discussions with the relevant authorities to begin consideration of potential mining of the Project aims to be in production in FY 2012.

Preliminary environmental base line studies, including water, soil and sediment sampling for radiological characterisation and radon exhalation measurements have been completed in the areas shown in Figure 13.

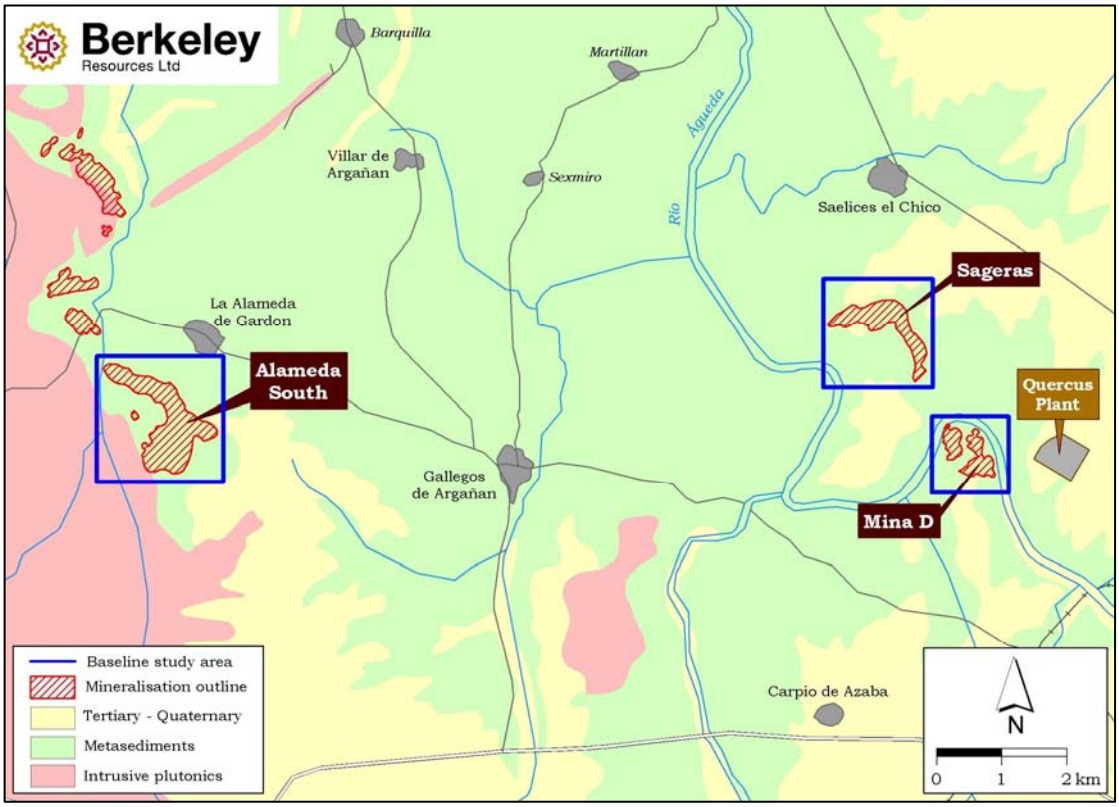


Figure 13 – Environmental Baseline Studies

Corporate

Mr. Ian Stalker was appointed as Managing Director and Chief Executive Officer from the 17th November.

Mr. Stalker is a chemical engineer, with an outstanding history in developing and managing a number of mining projects around the world over the past 35 years. He has considerable experience in the uranium sector and in mining operations in Spain and has successfully managed eight mining projects through feasibility study, development and construction phases.

The Company's royalty commitments to the original founders and vendors of Berkeley's Spanish subsidiary, Minera de Rio Alagon SL ("MRA") were restructured on the 23rd December 2009. The parties have agreed to replace the previous royalty with a 1% royalty on all Berkeley's future uranium production in Spain and Portugal, including potentially non-MRA properties. The minimum cash royalty has been terminated, in exchange for issue to the MRA vendors of 750,000 new ordinary fully paid shares in the Company.

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

Mina D Drill Hole Intersections

Hole ID	Easting	Northing	Elevation	Depth	From	To	Interval	eU_3O_8
	(m)	(m)	(m)	(m)	(m)	(m)	(m)	(ppm)
**MDD-001	701418	4500972	628.2	71.96	47.2	55.9	8.7	7,949
**MDD-002	701395	4500984	627.7	84.00	57.6	68.8	11.3	906
MDD-003	701389	4500551	660.9	105.00	38.5	39.7	1.2	318
					45.7	76.9	31.2	446
**MDD-004	701178	4500782	655.0	90.00	55.2	63.2	8.1	3,299
**MDD-005	701425	4500674	641.5	65.00	38.8	41.0	2.3	3,250
MDD-006	701388	4500552	661.0	144.00	35.9	37.3	1.4	1,151
					81.6	97.2	15.7	519
					110.7	127.8	17.1	490
					132.4	133.7	1.3	312
MDD-007	701440	4500697	637.0	90.35	43.7	51.6	7.8	3,104
MDD-008	701113	4500816	639.0	103.80	29.6	31.4	1.9	710
					83.9	85.3	1.4	1,234
MDD-009	701442	4500642	641.3	75.00	30.9	38.9	8.0	752
					52.8	54.7	1.8	888
MDD-010	701337	4500584	657.1	150.75	51.1	52.2	1.1	513
					92.1	93.3	1.2	548
					113.3	130.7	17.4	225
					124.4	125.4	1.0	606
					129.7	130.7	1.0	681
MDD-011	701093	4500820	633.5	111.35	46.4	56.3	9.9	1,579
					97.1	98.4	1.3	288
MDD-012	701109	4500873	639.0	89.30	10.6	11.8	1.1	467
					51.2	53.2	2.0	622
					66.4	68.1	1.7	805
					70.9	72.1	1.2	784
MDD-013	701134	4500842	643.2	102.35	90.0	91.8	1.8	294
MDD-014	701060	4500908	642.7	109.60	67.2	68.8	1.6	1,801
					85.8	87.1	1.2	1,157
MDD-015	701274	4500562	657.6	112.75	*Hole didn't reach target*			
*** Egrades released Nov 09 now revised using new calibration*								

Sageras Drill Hole Intersections

Hole ID	Easting	Northing	Elevation	Depth	From	To	Interval	eU_3O_8
	(m)	(m)	(m)	(m)	(m)	(m)	(m)	(ppm)
SGD-001	700357	4502816	645.3	70.10	4.1	31.6	27.5	707
					48.2	53.6	5.4	893
SGD-002	700392	4502851	646.6	100.55	13.0	28.0	15.0	261
					43.6	65.4	21.9	587
SGD-003	700021	4502843	663.5	85.12	19.7	69.2	49.5	1,225
SGD-004	700020	4502892	670.0	100.36	25.9	68.9	43.0	369
					79.3	80.7	1.4	2,458
					89.0	90.3	1.3	577
SGD-005	700440	4502588	650.4	40.07	4.5	17.0	12.5	632
SGD-006	700481	4502628	653.4	64.00	48.2	53.3	5.0	254
SGD-007	700019	4502943	672.9	110.60	33.3	100.0	66.7	391
SGD-008	700411	4502555	655.2	51.65	22.7	24.1	1.3	512
SGD-009	700336	4502795	643.9	51.75	5.2	43.6	38.4	848
SGD-010	700325	4502775	642.7	54.45	2.2	38.0	35.8	508

Alameda South Drill Hole Intersections

Hole ID	Easting	Northing	Elevation	Depth	From	To	Interval	eU_3O_8
	(m)	(m)	(m)	(m)	(m)	(m)	(m)	(ppm)
ASD-001	689176	4500731	733.4	51.09	3.1	6.3	3.2	5,904
					12.7	14.9	2.1	628
ASD-002	689224	4500722	736.5	62.65	3.8	51.3	47.5	2,120
ASD-003	688980	4500779	729.7	123.10	6.2	33.0	26.7	495
					44.2	81.0	36.8	539
					94.6	110.5	15.8	480
ASD-004	689137	4500896	743.8	80.11	20.0	24.2	4.2	1,433
					32.6	35.8	3.2	502
					44.4	53.3	8.9	451

Notes - Grade Estimation from Radiometric Logging

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.

In general, radiometric logging is the preferred method for estimating the grade and thickness of radioactive uranium zones in drill holes where there are no significant potassium or thorium radioactive minerals. This is primarily because a radiometric log measures a volume that can be up to 50 times larger than a typical drill core and thus gives a more representative sample. In addition a radiometric log can provide a sample every few centimetres up a drill hole thus providing fine detail that is difficult to achieve with chemical assays. However the radiometric probes need to be properly calibrated and various other factors have to be taken into account before an equivalent uranium grade can be derived.

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.

A total of 120, 0.5m full core samples from 3 drill holes in Mina D have been analyzed by XRF at ALS Chemex Vancouver and compared directly to the e-grades to check their validity.

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.

The geological units at Mina D are dipping at approximately 30º and the drill holes have been inclined to intersect the mineralisation at right angles so the intervals are approximately true thickness. At Sageras and Alameda, the mineralisation is horizontal to shallow dipping so the holes have been drilled vertically or angled to intersect the mineralisation at right angles.

As a check on the down-hole gamma logging data, hand held scintillometer readings were taken along the mineralised sections of the core and averaged out every 50cm. 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 some of the holes.

Rule 5.3

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")

31 December 2009

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(1,642)	(2,752)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(511)	(871)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	84	156
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other		
	- Business development	(27)	(161)
	- Exploration incentive grant	260	260
	Net Operating Cash Flows	(1,836)	(3,368)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(5)	(5)
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	5	(45)
	- Refund of VAT on aquisition	1,347	1,347
	Net investing cash flows	1,347	1,297
1.13	Total operating and investing cash flows (carried forward)	(489)	(2,071)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(489)	(2,071)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2	13
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	(24)	(96)
	Net financing cash flows	(22)	(83)
	Net increase (decrease) in cash held	(511)	(2,154)
1.20	Cash at beginning of quarter/year to date	9,925	11,568
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	9,414	9,414

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	264
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	2,000
4.2	Development	-
	Total	2,000

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	2,211	1,801
5.2	Deposits at call	7,203	8,124
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	9,414	9,925

+ See chapter 19 for defined terms.

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	P.I. Aragoncillo 1 P.I. Aragoncillo 2	Direct Direct	99.903 99.903	- -
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	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	124,239,149	124,239,149	Not Applicable	Not Applicable
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	752,837	752,837	Not Applicable	Not Applicable
7.5	**+Convertible debt securities**				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**			*Exercise price*	*Expiry date*
	-Unlisted Options	10,600,000	-	$0.70	30 April 2010
	-Incentive Options	2,160,000	-	$1.86	5 August 2011
	-Incentive Options	1,037,500	-	$1.00	19 June 2012
	-Listed Options	12,921,886	12,921,886	$0.75	15 May 2013
	-Unlisted Options	2,500,000	-	$1.00	31 May 2013
7.8	Issued during quarter -Incentive Options	250,000	-	1.00	19 June 2011
7.9	Exercised during quarter			*Exercise price*	*Expiry date*
	-Listed Options	2,837	2,837	$0.75	15 May 2013
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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.

Sign here: ..... Date: 29 January 2010
(~~Director~~/Company secretary)

Print name: **CLINT MCGHIE**

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.