



BERKELEY RESOURCES LIMITED

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NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at the Plaza Level, BGC Centre, 28 The Esplanade Perth, Western Australia on 6 May 2009 at 11.00am (WST).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please contact the Company Secretary on (08) 9322 6322.

BERKELEY RESOURCES LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Berkeley Resources Limited (**Company**) will be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on 6 May 2009 at 11.00am (WST) (**General Meeting**).

The Explanatory Memorandum to this Notice of General Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered as Shareholders of the Company on 4 May 2009 at 5.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1 of the Explanatory Memorandum.

AGENDA

1. Resolution 1 – Approve Polo Placement

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

*"That, in accordance with ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of 1,350,000 Shares each at an issue price of \$0.50 together with 1 attaching Option for every 2 Shares issued to Polo Resources Limited on the terms and conditions in the Explanatory Memorandum (**Polo Placement**)."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed Polo Placement and a person who might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if the Resolution is passed, or an associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Approve Institutional Placement

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That, subject to the passing of Resolution 1, in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 4,000,000 Shares together with 1 attaching Option for every 2 Shares issued to clients of RBC Capital Finance Limited on the terms and conditions in the Explanatory Memorandum (Institutional Placement)."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed Institutional Placement and a person who might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if the Resolution is passed, or an associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Approve Options to Participating Directors

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

"That, in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to:

- (a) 500,000 Options to Dr Robert Hawley;
- (b) 1,000,000 Options to Mr Matthew Syme;
- (c) 250,000 Options to Mr Russell (Scott) Yelland;
- (d) 250,000 Options to Dr James Ross;
- (e) 250,000 Options to Mr Sean James;
- (f) 500,000 Options to Senor Jose Ramon Esteruelas; and
- (g) 250,000 Options to Mr Stephen Dattels,

(Participating Directors) (or their respective nominees) on the terms and conditions in the Explanatory Memorandum."

Voting exclusion

The Company will disregard any votes cast on this Resolution by the Participating Directors or any of their associates. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approve the Execution of Deed of Indemnity, Access and Insurance

To consider, and if thought fit, pass as an ordinary resolution with or without amendment the following:

“That, pursuant to Chapters 2D.2 and 2E of the Corporations Act and for all other purposes, upon the appointment of Mr Stephen Dattels as a Director, the Company be given approval to:

- (a) *indemnify Mr Stephen Dattels, during the period of his directorship and after the cessation of his directorship, in respect of certain claims should any be made against him whilst acting in his capacity as a Director;*
- (b) *use its reasonable endeavours to procure an insurance policy and pay the premiums of insurance as assessed at market rates applicable from time to time for Mr Stephen Dattels in respect of certain claims made against him acting in capacity of a Director (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company);*
- (c) *use its reasonable endeavours to ensure that an insurance policy for Mr Stephen Dattels is at all times covered under an insurance policy for the period of 7 years from the date he ceases to be Director (**Insurance Run-Off Period**), which will be on terms not materially less favourable than the terms of insurance applicable at the date of termination of his directorship and to continue to pay those premiums during that Insurance Run-Off Period (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company); and*
- (d) *provide Mr Stephen Dattels with access, upon the cessation for any reason of his directorship and for a period of not less than 7 years following that cessation, to any Company records which are either prepared or provided to him during the period of his directorship,*

and on the terms and conditions in the Explanatory Memorandum accompanying this Notice.”

5. Resolution 5 – Authorisation of Directors' Fees

To consider, and if thought fit, to pass with or without amendment as an ordinary resolution the following:

"That in accordance with ASX Listing Rule 10.17 and article 6.5 of the Constitution, the maximum aggregate remuneration which may be paid by the Company to its directors under article 6.5 of the Constitution be increased from \$250,000 to a maximum sum of \$350,000 per year."

Voting exclusion

The Company will disregard any votes cast on this Resolution by a Director or any of their associates. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Section 195 Approval

To consider, and if thought fit, to pass with or without amendment as an ordinary resolution the following:

"That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the Directors to complete the transactions as contemplated in this Notice."

BY ORDER OF THE BOARD



Clint McGhie
Company Secretary
Dated: 31 March 2009

BERKELEY RESOURCES LIMITED

A B N 4 0 0 5 2 4 6 8 5 6 9

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on 6 May 2009 at 11.00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolution in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and Explanatory Memorandum carefully before deciding how to vote on the Resolution.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative ("proxy") to vote in their place. All Shareholders are invited and encouraged to attend the General Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the General Meeting in person.

3. Background to Resolutions

3.1 Capital Raising

The Company proposes to:

- (a) issue 8,650,000 Shares together with 1 attaching Option for every 2 Shares issued without Shareholder approval (within the Company's 15% capacity under Listing Rule 7.1) to Polo (**First Tranche**); and
- (b) issue 1,350,000 Shares together with 1 attaching Option for every 2 Shares issued subject to Shareholder approval (**Second Tranche**) to Polo;
- (c) grant 2,500,000 \$1.00 Options to Regent on issue of the First Tranche securities as a placement fee for the First Tranche and Second Tranche (**Regent Options**);

- (d) issue 4,000,000 Shares together with 1 Option for every 2 Shares issued to clients of RBC Capital Finance Limited, the Company's adviser (**Institutional Placement**);
- (e) make a non-renounceable pro rata entitlements issue offer to Shareholders of 1 new Share for each 20 existing Shares, together with 1 free attaching Option for each 2 new Shares subscribed (**Entitlements Issue**); and
- (f) grant Directors up to a total of 3,000,000 Options subject to Shareholder approval,

(Capital Raising).

The issue of securities under the First Tranche is not conditional or dependent upon securities being issued under the Second Tranche.

3.2 Capital Structure

The number of securities currently on issue and the number of securities to be issued under the Capital Raising are as follows:

	Shares	Options
Current	103,591,695	13,547,500 ⁽¹⁾
First Tranche	8,650,000	4,325,000
Regent Options	-	2,500,000
Second Tranche	1,350,000	675,000
Institutional Placement	4,000,000	2,000,000
Entitlements Issue ⁽²⁾	5,879,584	2,939,792
Director Options	-	3,000,000
Total	123,471,279	28,987,292 ⁽³⁾

- (1) Options currently on issue include 3 classes of unlisted options with different expiry dates and exercise prices. Further details on these options can be found in the Company's Half Year Financial Report for the six months ended 31 December 2008.
- (2) For the purpose of this table, it has been assumed that the Entitlements Issue is fully subscribed.
- (3) For the purpose of this table, it has been assumed that no Options are exercised before the end of the Capital Raising.

3.3 Subscription Agreement

On 20 March 2009, the Company, Polo, Regent and Mr Stephen Dattels entered into a subscription agreement (**Subscription Agreement**) as part of the Capital Raising.

As a consequence of the Subscription Agreement, the Capital Raising involves:

- (a) the appointment of Mr Stephen Dattels (Chairman of Polo) as a director of the Company on issue of the First Tranche securities. Directors intend to appoint Mr Stephen Dattels as a Director under article 6.2(b) of the Constitution;
- (b) the issue of the First Tranche securities being subject to the Company obtaining approval from the Council of Ministers of Spain (Consejo de Ministros) in accordance with the terms and conditions of the Co-operation Agreement between ENUSA Industrias Avanzadas S.A. and Berkeley appended to a letter of agreement dated 29 January 2009;

- (c) the issue of the Second Tranche securities being subject to the issue of the First Tranche Securities and Shareholder approval (as contemplated by Resolution 1), which must be satisfied or waived by the parties on or before 29 May 2009; and
- (d) a standstill arrangement where each of Polo, Regent, Mr Stephen Dattels and their Associated Entities (as defined in section 50AAA of the Corporations Act 2001) have agreed not to acquire a Relevant Interest (as defined in sections 608 and 609 of the Corporations Act) in the Voting Power (as defined in section 610 of the Corporations Act) of the Company exceeding 19.9% or acquire any assets of the Company (other than in the normal course of business) for a period of six months after completion of the issue of the First Tranche securities.

The funds raised under the Capital Raising will be used to complete a feasibility study on the Company's Salamanca Regional Uranium Project in Spain.

Under Listing Rule 7.1 a company must not issue or agree to issue more than 15% of its equity securities in any 12 month period without shareholder approval.

The issue of the securities under the First Tranche, Second Tranche, Institutional Placement, the grant of the Regent Options and the grant of the Options to Participating Directors as contemplated under the Capital Raising will result in the Company exceeding its 15% capacity under Listing Rule 7.1.

Accordingly, the Company proposes to issue the First Tranche securities and the Regent Options without Shareholder approval (within its 15% capacity under Listing Rule 7.1) and the Second Tranche securities will be issued after Shareholder approval has been obtained under Listing Rule 7.1.

Shareholder approval is not required for the Company to undertake the Entitlements Issue.

Accordingly, the Company seeks Shareholder approval to issue the following:

- (a) the Second Tranche securities as contemplated by the Polo Placement in Resolution 1;
- (b) the Institutional Placement as contemplated by Resolution 2; and
- (c) the issue of Options to Directors as contemplated by Resolution 3.

The exercise price of the Options and \$1.00 Options will not be adjusted pursuant to the terms and conditions of the Options and \$1.00 Options for entitlements issues when the Company undertakes the Entitlements Issue.

4. Resolution 1 – Approve Placement

4.1 Introduction

Resolution 1 seeks Shareholder approval for the issue of 1,350,000 Shares and 675,000 Options (being the Second Tranche securities under the Subscription Agreement) to Polo.

The Shares to be issued are fully paid ordinary shares in the capital of the Company and the Options are exercisable at \$0.75, expire 4 years from the date of grant of the Options in the First Tranche and have the terms and conditions in Schedule 2.

4.2 Listing Rule 7.1 – Shareholder Approval

Listing Rule 7.1 requires Shareholder approval for the issue of 1,350,000 Shares and grant of 675,000 Options to Polo. Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

Although the issue of 1,350,000 Shares and 675,000 Options to Polo does not represent more than the 15% of the Company's securities on issue for the purposes of Listing Rule 7.1, the Company is seeking Shareholder approval of the Polo Placement so that the Company does not exceed its 15% under Listing Rule 7.1. Accordingly, Shareholder approval is sought in accordance with Listing Rule 7.3.

4.3 Specific information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of 1,350,000 Shares and 675,000 Options to Polo and the requirements of Listing Rule 7.3, information is provided as follows:

- (a) the maximum number of Shares and Options the Company can issue pursuant to Resolution 1 is 1,350,000 Shares and 675,000 Options;
- (b) the Company will issue the Shares and Options under the Polo Placement no later than 3 months after the date of the General Meeting;
- (c) the Shares are being issued at \$0.50 and the Options are being granted for nil consideration;
- (d) the Shares and Options under the Polo Placement will be issued to Polo;
- (e) the Shares will be fully paid ordinary Shares in the capital of the Company and the Options will have an exercise price of \$0.75, expire 4 years from the date of grant of the Options in the First Tranche and the further terms and conditions in Schedule 2;
- (f) the Company will raise \$675,000 under the Polo Placement, which will be used to complete a feasibility study on the Company's Salamanca Regional Uranium Project in Spain;
- (g) allotment of the Shares and Options under the Polo Placement will occur progressively; and
- (h) a voting exclusion statement is included in the Notice.

5. Resolution 2 – Approve Institutional Placement

5.1 Introduction

Resolution 2 seeks Shareholder approval for the authority to undertake the Institutional Placement of up to 4,000,000 Shares each at an issue price of \$0.50 together with 1 attaching Option for every 2 Shares issued to clients of RBC Capital Finance Limited.

The Options are each exercisable at \$0.75, expire 4 years from the date of grant of the Options in the First Tranche and have the terms and conditions in Schedule 2.

5.2 Listing Rule 7.1 – Shareholder Approval

Listing Rule 7.1 requires Shareholder approval for the Institutional Placement. Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

Although the Institutional Placement does not represent more than the 15% of the Company's securities on issue for the purposes of Listing Rule 7.1, the Company is seeking Shareholder approval of the Institutional Placement so that the Company does not exceed its 15% capacity under Listing Rule 7.1. Accordingly, Shareholder approval is sought in accordance with Listing Rule 7.3.

5.3 Specific information required by Listing Rule 7.3

For the purposes of the Shareholder approval of the issue of securities under the Institutional Placement and the requirements of Listing Rule 7.3, information is provided as follows:

- (a) a maximum of 4,000,000 Shares and 2,000,000 Options will be issued under the Institutional Placement;
- (b) the Company will issue the Shares and Options under the Institutional Placement no later than 3 months after the date of the General Meeting;
- (c) the Shares will be issued at \$0.50 and the Options will be granted for nil consideration;
- (d) the Shares and Options under the Institutional Placement will be issued to clients of RBC Capital Finance Limited;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company and the Options will have an exercise price of \$0.75, expire 4 years from the date of grant of the Options in the First Tranche and have the further terms and conditions in Schedule 2;
- (f) the Company will raise up to \$2,000,000 from the Institutional Placement, which will be used to complete a feasibility study on the Company's Salamanca Regional Uranium Project in Spain; and
- (g) a voting exclusion statement is included in the Notice.

6. Resolution 3 – Approve Options to Participating Directors

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of up to a total of 3,000,000 Options to the Participating Directors (or their nominees), which includes Mr Stephen Dattels who is a proposed director.

Subject to the passing of Resolution 3, Mr Stephen Dattels will be granted 250,000 Options upon being appointed as a Director.

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because the Participating Directors are related parties of the Company.

Furthermore, Shareholder approval of the issue of Options to Participating Directors under Listing Rule 10.11 means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

6.1 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue:

- (a) a maximum of 3,000,000 Options will be granted to the Participating Directors (or their nominees) as follows:

Participating Director	Maximum number of Options to be granted if Shareholders pass Resolution 3
Dr Robert Hawley	500,000
Mr Matthew Syme	1,000,000
Mr Russell (Scott) Yelland	250,000
Dr James Ross	250,000
Mr Sean James	250,000
Senor Jose Ramon Esteruelas	500,000
Mr Stephen Dattels	250,000
TOTAL	3,000,000

- (b) the Company will issue the Options to Participating Directors no later than one month after the date of the General Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of Listing Rule 10.13.3);
- (c) the Participating Directors each have an interest in the outcome of Resolution 3 and do not intend to make a recommendation to Shareholders on how they should vote on Resolution 3;
- (d) Shareholder approval is sought to issue Options to Mr Stephen Dattel on the basis that Listing Rule 10.11 requires a company to obtain Shareholder approval prior to the company issuing any securities to a related party. A related party is defined to include a director of a company and any person who the company believes is likely to become a related party of the company. The Subscription Agreement requires the Company to procure the appointment of Mr Stephen Dattels as a Director. Accordingly, Directors intend to appoint Mr Stephen Dattels as a Director. It is therefore, likely that Mr Stephen Dattels will become a Director. The effect of this is that Mr Stephen Dattels is a related party of the Company pursuant to Listing Rule 10.11.1 and Shareholder approval is required prior to the Company issuing any securities to him;

- (e) each Option will be issued for nil consideration, entitles the holder to subscribe for one (1) Share at an exercise price of \$0.75 and is exercisable on or before 4 years from the date of grant of the Options in the First Tranche. The Options are transferable and an application will be made for them to be quoted on ASX. Further terms and conditions of the Options are in Schedule 2;
- (f) a voting exclusion statement is included in the Notice;
- (g) no funds will be raised by granting the Options to Participating Directors as they are being granted for nil consideration;
- (h) on the basis of the assumptions below, independent accountants, BDO Kendalls Corporate Finance (WA) Pty Ltd, has determined the technical value of one Option approximates \$0.283. This valuation imputes a total value of \$848,912 to the Options. The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:
 - (i) risk free rate calculated by using the Australian Government 5 year bond rate of 3.75%;
 - (ii) the date of the valuation, for the purposes of settling the current market value of an Option, is 17 March 2009;
 - (iii) on 17 March 2009 the Share price was \$0.47, which is the price used in the valuation; and
 - (iv) the volatility factor is set as 95% which is based on the history of the Share trading on ASX over the past 12 months.
- (i) the market price of Shares would normally determine whether or not the Options will be exercised. If the Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.
- (j) Shareholders have approved an aggregate amount of up to \$250,000 to be paid as Directors' fees. Approval is being sought in Resolution 5 to increase this amount to \$350,000;
- (k) Directors' emoluments for the financial year ended 30 June 2008 (as provided in the Company's 2008 annual report lodged at ASX on 30 October 2008) are as follows:

Director	Salary & Fees	Superannuation	Share Based Payments	Other non-cash benefits ⁽¹⁾	Total
Dr Robert Hawley	\$127,317	-	-	\$2,917	\$130,234
Mr Matthew Syme	\$250,000	\$22,500	-	\$4,508	\$277,008
Mr Russell (Scott) Yelland	\$274,472	\$47,125	\$616,235	\$1,205	\$962,880
Dr James Ross ⁽²⁾	\$97,500	\$2,700	-	\$4,508	\$104,708

Mr Sean James ⁽²⁾	\$45,708	-	-	\$6,675	\$52,383
Senor Jose Ramon Esteruelas ⁽²⁾	\$81,095	-	-	2,917	\$84,012
Mr Stephen Dattels ⁽³⁾	-	-	-	-	-

⁽¹⁾Other non-cash benefits includes payments made for insurance premiums on behalf of Directors, including directors and officers insurance, and in some instances, working directors insurance.

⁽²⁾The salary & fees paid to non-executive Directors includes consulting fees for services provided to the Company in addition to the services expected of them in their role as a non-executive Director.

⁽³⁾ Mr Dattels was not a Director of the Company during the financial year ended 30 June 2008. At the date of this Explanatory Memorandum, the remuneration to which Mr Dattels will be entitled upon his appointment as a Director of the Company has yet to be determined.

- (l) Directors' current and proposed securityholdings in the Company are as follows:

Director	Current number of Shares held	Current number of employee/incentive options held ⁽¹⁾	Number of Options granted if Resolution 3 is passed	Total options held if Resolution 3 is passed ⁽³⁾	% interest on a fully diluted basis if Resolutions 3 is passed ⁽⁴⁾
Dr Robert Hawley	-	-	500,000	500,000	0.416%
Mr Matthew Syme	2,760,100	-	1,000,000	1,000,000	3.130%
Mr Russell (Scott) Yelland	-	1,250,000	250,000	1,500,000	1.249%
Dr James Ross	300,000	-	250,000	250,000	0.458%
Mr Sean James	-	-	250,000	250,000	0.208%
Senor Jose Ramon Esteruelas	-	-	500,000	500,000	0.416%
Mr Stephen Dattels	-	-	250,000 ⁽²⁾	250,000	0.208%

⁽¹⁾ Mr Yelland holds 1,000,000 employee options exercisable at \$1.86 and expiring on 5 August 2011 and 250,000 incentive options exercisable at \$1.00 and expiring on 19 June 2012.

⁽²⁾ If Shareholder's approve Resolution 3, Options will be issued to Mr Stephen Dattels upon his appointment as a Director.

⁽³⁾ Includes all options held by a Participating Director, including employee/incentive options.

⁽⁴⁾ Assumes 120,139,195 Shares on a fully diluted basis prior to issuing any securities to Polo (either without Shareholder approval or under Resolution 1) and does not include any securities proposed to be granted under this Notice other than the Options subject to Resolution 3.

- (m) historical Share price information for the last 3 months is as follows:

	Price	Date
Highest	\$0.57	19 March 2009
Lowest	\$0.205	15 January 2009
Last	\$0.55	24 March 2009

- (n) remuneration of Directors is competitively set with the assistance of external surveys and reports when required, taking into account the experience and qualifications of each individual Director.

To attract and retain Directors in this competitive market the Company has a remuneration policy to provide a moderate fixed remuneration component and a specific performance based (equity related) component. There is no separation of remuneration between short term incentives and long term incentives. The Board believes that this remuneration policy is appropriate given the nature of the Company, the stage of development of the Company and the activities which it undertakes and is appropriate in aligning Director objectives with Shareholder and businesses objectives.

Other than superannuation contributions where required, Directors do not receive any retirement benefits.

The Board policy is to remunerate Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by Shareholders at a general meeting.

Fees for Directors are not linked to the performance of the economic entity. However, to align all Directors' interests with Shareholder interests, the Directors are encouraged to hold Shares in the Company and may be issued Options.

The Company believes that the issue of Options to them conserves cash in the short term and acts as an incentive to grow the Share price in the long term. This effectively links Directors' performance to the Share value and therefore to the interests of all Shareholders. For this reason there are no performance conditions prior to a grant or exercise of Options to Directors, but instead an incentive to increase the value to all Shareholders.

The Board considers the number and terms of the Options to be granted to Participating Directors constitutes an appropriate method to adequately incentivising them in light of their skill, experience and reputation and comparable in number to similarly structured companies in this sector;

- (o) a brief CV of Mr Stephen Dattels is contained in section 7.4(b)(x) of this Explanatory Memorandum; and

- (p) other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 3.
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7. Resolution 4 – Approve the Execution of Deed of Indemnity, Access and Insurance

7.1 Background

The purpose of the resolution is to enable the Company, to provide Mr Stephen Dattels (who is a proposed Director) with a reasonable level of protection in relation to claims made against him acting as a director of the Company, effective from the date of his appointment.

Given the duties and responsibilities as directors of a public company and their potential liabilities, the Directors consider it appropriate that they be suitably protected from certain claims made against them. The proposed protection will not extend to the extent it is prohibited by the Corporations Act.

As a person may be called to account for his or her actions several years after ceasing to be a director of a company, it is considered reasonable that suitable protection should extend for a period of time after a Director has ceased to be a Director of the Company.

It is generally recognised that a director or former director of a company may face considerable difficulty in properly answering or defending any claim made against him or her, particularly, as is often the case, where the claim is brought after the director ceases to hold office. Difficulties may arise by reason of the following:

- (a) No indemnity after directorship ends

While a company's constitution provides directors with an indemnity in respect of claims made while they remain directors arguably, that indemnity ceases when the directorship ends. Without the benefit of an indemnity, the cost of defending such a claim in respect of the actions of a director or former director, even if the claim is ultimately proven to be without merit, can be considerable and beyond the financial resources of the individual director.

- (b) Maintenance of insurance policies

Directors' and Officers' insurance policies generally only provide cover for claims made during the currency of the insurance policy, i.e. while insurance premiums continue to be paid on the policy. Generally, unless insurance premiums continue to be paid after the time a person ceases to be a director, claims made after cessation of the directorship will not be covered by the insurance policy. The cost to a former director of personally maintaining insurance cover after ceasing to be a director can be prohibitive, particularly given the number of years for which insurance must be maintained and given the former director will no longer be receiving any income from the Company.

- (c) Access to board papers

Directors have a statutory right to inspect the books of the Company:

- (i) whilst they hold office; and

(ii) for a period of 7 years after the director ceases to hold office,

at all reasonable times for the purpose of a legal proceeding to which the director is a party, that the director proposes in good faith to bring or that the director has reason to believe will be brought against him or her.

Despite this statutory right, Directors may require access to company documents which are relevant to the director's holding office as a director of the Company and not strictly required for the purpose of anticipated, threatened or commenced legal proceedings. Furthermore, although a proceeding may be instituted within six years after a cause of action arises, that six year period is calculated from the date the damage is found to have occurred – this may be long after the conduct in question, from which the later damage arose, actually occurred.

Given these difficulties a person may be unwilling to become or to remain as a director of a public company without suitable protection being provided by the Company. The benefit to the Company in providing such protection is that it will continue to be able to attract persons of suitable expertise and experience to act as Directors.

7.2 Summary of the Directors' Indemnity, Insurance and Access Deed

The Company will, subject to Shareholder approval, enter into a Deed, which will require:

- (a) the Company to indemnify Mr Stephen Dattels during the period of his directorship and after the cessation of his directorship, in respect of certain claims made against him in his capacity as a director of the Company to the extent allowable under the Corporations Act;
- (b) the Company to use its reasonable endeavours (subject to cost and availability) to maintain an insurance policy and pay the premiums of insurance as assessed at market rates applicable from time to time, to the extent available under the Corporations Act, for Mr Stephen Dattels in respect of certain claims made against him in his capacity as a director of the Company and to continue to pay those premiums for a period of up to 7 years following the termination of his directorship;
- (c) that if the Company cannot procure an insurance policy for Mr Stephen Dattels at a reasonable cost it shall advise him and he may refer the matter to an expert (whose decision shall be final and binding on the parties) for determination that the Company has not used its reasonable endeavours and the expert may direct the Company to obtain an insurance policy on the best available terms; and
- (d) the Company to provide Mr Stephen Dattels with access, upon ceasing for any reason to be a Director and for a period of up to 7 years following that cessation, to any Company's records which are either prepared or provided to the Director during the period during which he was a director of the Company.

The Deed will also require Mr Stephen Dattels to maintain confidentiality and to protect the Company's intellectual property.

7.3 Summary of indemnity and insurance provisions in the Corporations Act

In considering the resolution, members should be aware of the following limitations in the Corporations Act concerning the provision of indemnities and insurance to the Company's officers. The deed for which member approval is sought under the resolution, complies with these limitations.

(a) Section 199A of the Corporations Act

The Corporations Act now sets out specific prohibitions to the Company's ability to grant indemnities for liabilities and legal costs.

The Company is prohibited from indemnifying its officers against a liability if it is a liability:

- (i) to the Company or any of its related bodies corporate;
- (ii) to a third party that arose out of conduct involving a lack of good faith; or
- (iii) for a pecuniary penalty order or a compensation order under the Corporations Act (such orders being made for breaches such as breaches of director's duties, the related party rules and insolvent trading rules).

The Company is also prohibited from indemnifying its officers against legal costs incurred:

- (iv) in defending actions where an officer is found liable for a matter for which he or she cannot be indemnified by the Company as set out immediately above;
- (v) in defending criminal proceedings where the officer is found guilty;
- (vi) in defending proceedings brought by the ASIC or a liquidator for a court order if the grounds for making the order are found by the court to be established; or
- (vii) in connection with proceedings for relief to the director under the Corporations Act where the court denies the relief.

(b) Section 199B of the Corporations Act

If the Company, or a related body corporate of the Company, pays the premium on an insurance policy in favour of Mr Stephen Dattels, then section 199B of the Corporations Act requires the Company to ensure that the relevant contract of insurance does not cover liabilities incurred by the officer arising out of conduct involving either:

- (i) a wilful breach of duty in relation to the Company; or
- (ii) contravention of the provisions relating to an officer making improper use of information or improper use of his or her position for his or her advantage or gain, or to the detriment of the Company.

7.4 Member approval

To enable the Company to enter into a deed with Mr Stephen Dattels, the resolution seeks member approval in accordance with the following provisions of the Corporations Act:

(a) Section 200B of the Corporations Act

Section 200B of the Corporations Act relevantly provides that the Company cannot give a benefit to Mr Stephen Dattels in connection with his retirement from office, without member approval of the Company.

The Directors consider that as the:

- (i) proposed payment of insurance premiums;
- (ii) benefit of the indemnity in relation to liabilities incurred during the period a Director holds office; and
- (iii) Director's access to Company records,

continues for a period of up to 7 years after Mr Stephen Dattels ceases to hold office, this may be viewed as the provision of a benefit given 'in connection with' Mr Stephen Dattels retirement from the Board for the purposes of section 200B of the Corporations Act.

The insurance premiums under the deed will be calculated at the market rates applicable from time to time.

A copy of all company documents will be kept at the Company's registered office and made available for inspection and copying by Mr Stephen Dattels for a period of 7 years after he ceases to hold office, for whatever reason.

(b) Section 208 of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company, or an entity that the public company controls, from giving a financial benefit to a related party of the public company unless either:

- (i) the giving of the financial benefit falls within one of the nominated exceptions to the provision (e.g. section 212); or
- (ii) prior shareholder approval of the public company is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Stephen Dattels as a proposed Director is considered to be a related party of the Company.

The provision of insurance and indemnity to Mr Stephen Dattels, as a proposed Director, may involve the provision of a financial benefit to a related party of the Company within the prohibition provided by Chapter 2E of the Corporations Act. The Directors consider that, although the payment of insurance premiums and the provision of indemnities by the Company are 'reasonable in the circumstances' of the Company and therefore are exceptions from the prohibition in Chapter 2E of the Corporations Act, consideration of the reasonable nature of the provision of any indemnity or insurance is an appropriate matter for Shareholders.

In accordance with section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed resolution:

- (i) the Company proposes to take out an insurance policy which will provide insurance cover for Mr Stephen Dattels as a Director against all permitted liabilities incurred by him acting as a Director;
- (ii) the insurance premiums payable will be calculated at market rates applicable from time to time, if insurance is available, with an indicative range of \$5,000 - \$10,000 per Director per annum;
- (iii) Mr Stephen Dattels is a related party of the Company to whom Resolution 4 would permit the giving of benefits.
- (iv) the nature of the benefit to be given to Mr Stephen Dattels is the benefit under the proposed deed of indemnity, access and insurance, the terms of which are summarised in section 7.2 of this Explanatory Memorandum;
- (v) Directors unanimously support the passing of this Resolution;
- (vi) neither Mr Stephen Dattels nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the benefits contemplated by the proposed resolution;
- (vii) the reasons and basis for the benefit are in section 7.1 of the Explanatory Memorandum;
- (viii) at the date of this Explanatory Memorandum, the remuneration to which Mr Stephen Dattels will be entitled upon his appointment as a Director of the Company has yet to be determined;
- (ix) subject to the passing of Resolution 3 and his appointment as a Director, Mr Stephen Dattels will be granted 250,000 Options; and
- (x) a brief CV of Mr Stephen Dattels is as follows:

Mr Stephen Dattels has founded and/or financed a number of mining ventures with his most recent being UraMin Inc., which was sold in July 2007 for \$2.5 billion to Areva, the French government-owned fully integrated uranium company. Mr Stephen Dattels was an executive at Barrick Gold Corporation during its formative years when it grew from a capital base of \$10 million to a market capitalisation of \$2 billion when he left in early 1987. During his employment with Barrick, he was a Director and Executive Vice President of Corporate Finance. In the past decade, he has completed several financings either directly or through his merchant bank, Regent Mercantile Bancorp Inc., in the natural resources sector. This has included exploration, development or production projects in minerals, base metals and precious metals, with the main areas of focus being Africa and Asia.

Mr Stephen Dattels was the Chairman and founder of Caledon Resources PLC, an AIM-listed Australian coal producer and Chinese exploration company and was the co-founder and Managing Director of AIM-listed Oriel Resources PLC, a developer of nickel and chrome assets in Kazakhstan.

Most recently, Mr Stephen Dattels is also the Co Chairman of Regent Pacific Group Limited, which is a Hong Kong listed mining company with copper and zinc operations and coal interests in China.

Mr Stephen Dattels is currently the executive chairman of Polo Resources Ltd, a coal and uranium company with interests in Mongolia, Australia and Bangladesh, which is listed on the AIM market.

8. Resolution 5 – Authorisation of Directors' Fees

Article 7.5(a) of the Constitution provides that the Company may pay a maximum aggregate amount of directors' fees as determined by the Company in general meeting or until so determined, as resolved by the Directors.

ASX Listing Rule 10.17 provides that an entity must not increase the total amount of Directors' fees payable by it or any of its controlled entities without the approval of holders of its ordinary securities. The rule does not apply to the salary of an executive Director. This requirement is also reflected in the Constitution.

The aggregate remuneration for all non-executive Directors was set at \$250,000 at the Company's 2006 General Meeting held on 1 May 2006. The Directors have resolved to seek shareholder approval to increase the aggregate remuneration of non-executive Directors of the Company from \$250,000 to \$350,000 per annum inclusive of superannuation.

It is not intended to use the maximum amount immediately. The proposed increase in fees of \$100,000 will be utilised for future appointments of new Directors and/or future increases in non-executive Directors fees.

The proposed increase in the maximum aggregate amount:

- (a) provides scope to appoint additional non-executive Directors to enhance the breadth of skills on the Board;
- (b) accommodates increases in fees payable to each non-executive Director based on a review of fees paid to non-executive Directors in peer-group Companies;
- (c) ensures that the Company's fee structure remains competitive with peer-group companies; and
- (d) reflects the increased complexity of the Company and demands on non-executive Directors and the increased time commitment expected from Directors.

A voting exclusion statement is included in the Notice.

9. Resolution 6 – Section 195 Approval

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a “material personal interest” are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolutions 3 and 5. In the absence of this Resolution 6, the Directors may not be able to form a quorum at Directors meetings necessary to carry out the terms of the Resolutions.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

Schedule 1 – Definitions

In this Explanatory Memorandum and Notice of General Meeting:

\$1.00 Option means an option to acquire a Share having an exercise price of \$1.00, expiring after 4 years and not being transferrable.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the Company's board of Directors.

Business Day means a day on which ASX is open for trading.

Capital Raising has the meaning in section 3.1 of the Explanatory Memorandum.

Company or **Berkeley** means Berkeley Resources Limited ABN 40 052 468 569.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act* 2001 (Cth).

Deed means a director's deed of indemnity, access and insurance as summarised in section 7.2 of this Explanatory Memorandum.

Director means a director of the Company and **Directors** means all of them.

Entitlements Issue has the meaning in section 3.1(e) of the Explanatory Memorandum.

Explanatory Memorandum means this explanatory memorandum.

First Tranche has the meaning given in section 3.1(a) of the Explanatory Memorandum.

General Meeting has the meaning given in the introductory paragraph of the Notice.

Institutional Placement has the meaning given in section 3.1(d) of the Explanatory Memorandum.

Listing Rules means the listing rules of ASX.

Notice means the Notice of General Meeting to which the Explanatory Memorandum is attached.

Option means an option to acquire a Share on the terms and conditions in Schedule 2.

Polo means Polo Resources Limited (Registration No. 1406187) of Craigmuir Chambers, P O Box 71, Road Town, VG1110, British Virgin Islands.

Polo Placement has the meaning in Resolution 1.

Participating Directors has the meaning given in Resolution 3.

Proxy Form means the proxy form attached to the Notice.

Regent means Regent Resources Capital Corporation c/o Investec Trust (Switzerland) S.A., 3 Place des Bergues, 1201, Geneva Switzerland.

Regent Options has the meaning given in section 3.1(c) of the Explanatory Memorandum.

Resolution means a resolution referred to in the Notice.

Second Tranche has the meaning given in section 3.1(b) of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Subscription Agreement has the meaning in section 3 of the Explanatory Memorandum.

WST means Western Standard Time.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 2 – Terms and Conditions of Options

1. Entitlement

The Options entitle the holder to subscribe for one (1) unissued Share upon the exercise of each Option.

2. Exercise Price

The exercise price of each Option is A\$0.75.

3. Expiry Date

Each Option expires on the date that is 4 years from the date the Options are granted under the First Tranche.

4. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date.

5. Notice of Exercise

The Options may be exercised by notice in writing to Berkeley and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by Berkeley will be deemed to be a notice of the exercise of that Option as at the date of receipt.

6. Shares issued on exercise

Shares issued on exercise of the Options rank equally with other issued Shares.

7. Quotation of Shares on exercise

Application will be made by Berkeley to ASX for official quotation of Shares issued upon the exercise of the Options.

8. Timing of issue of Shares

After an Option is validly exercised, Berkeley must as soon as possible:

(a) issue the Share; and

(b) do all such acts matters and things to obtain:

(i) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and

(ii) receipt of cleared funds equal to the sum payable on the exercise of the Options.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, Berkeley will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

10. Adjustment for bonus issues of Shares

If Berkeley makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

11. Adjustment for rights issue

If Berkeley makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one (1) Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.

12. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of Berkeley, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

13. Quotation of Options

Application for quotation of the Options will be made by Berkeley.

14. Options transferable

The Options are transferable.

15. Lodgement Instructions

Cheques shall be in Australian currency made payable to Berkeley and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at Berkeley's share registry.

BERKELEY RESOURCES LIMITED

ABN 40 052 468 569

PROXY FORM

The Company Secretary
Berkeley Resources Limited

By delivery:

Level 9, 28 The Esplanade
PERTH WA 6000

By post:

PO Box Z5083
PERTH WA 6831

By facsimile:

+61 8 9322 6558

I/We ¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____

votes in the Company, hereby appoint ² _____

or failing such appointment the chairman of the General Meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 11.00am on 6 May 2009 (WST) at Plaza Level, 28 The Esplanade, Perth, Western Australia and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

INSTRUCTIONS AS TO VOTING ON RESOLUTION

Important:

☐

If the chairman of the General Meeting is to be your proxy and you have not directed your proxy how to vote on Resolution 3 please tick this box. By marking this box you acknowledge that the chairman of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 3 and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the chairman of the General Meeting will not cast your votes on Resolution 3 and your votes will not be counted in computing the required majority if a poll is called on this Resolution.

The chairman of the General Meeting intends to vote undirected proxies in favour of the Resolutions.

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approve Polo Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approve Institutional Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approve Options to Participating Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approve Execution of Deed of Indemnity, Access and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Authorisation of Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Authorised signature/s This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹ Insert name and address of Shareholder

² Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting. If the Shareholder is entitled to cast 2 or more votes at the General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that General Meeting, the representative of the body corporate to attend the General Meeting must produce the 'Certificate of Appointment of Representative' prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a power of attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

Companies: a director can sign jointly with another director or a company secretary. A sole director who is also a sole company secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the General Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 9, 28 The Esplanade, Perth, WA, 6000, or by post to PO Box Z5083, Perth, WA, 6831 or Facsimile (08) 9322 6558 if faxed from within Australia or +618 9322 6558 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the General Meeting (WST).