BERKELEY RESOURCES LIMITED

ABN 40 052 468 569

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at Level 6, BGC Centre, 28 The Esplanade Perth, Western Australia on Monday, 28 June 2004 at 10.00am.

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 do not hesitate to contact the Company Secretary by telephone on (08) 9322 6322.

BERKELEY RESOURCES LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of shareholders of Berkeley Resources Limited (**"Company"**) will be held at Level 6, BGC Centre, 28 The Esplanade, Perth, Western Australia on 28 June 2004 at 10.00am (**"GM"**).

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

The Directors have determined pursuant to regulation 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the GM are those who are registered as Shareholders of the Company on 26 June 2004 at 5.00pm.

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

A G E N D A

1. Resolution 1 – Approval of Acquisition of North Asia Metals

To consider and, if thought fit, to pass as an ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.1, and for all other purposes, the Company approves and authorises the directors to allot and issue and grant to the North Asia Metals Vendors, in accordance with the North Asia Metals Share Sale Agreement, a total of up to:

(i) *6,000,000 Shares at a deemed issue price of 20 cents per share;*

(ii) *3,000,000 unlisted Options exercisable at $0.20 on or before 30 November 2006*

(all together the "North Asia Metals Vendor Securities" and referred to as the "North Asia Metals Vendor Issue").

Voting Exclusion

The Company will disregard any votes cast on this resolution by a person or their associate, who may participate in the North Asia Metals Vendor Issue and might obtain a benefit, (except a benefit solely in their capacity as holder of ordinary securities), if the resolution is passed.

The Company will disregard any votes cast on this resolution by a person, or their associate, who is to receive the North Asia Metals Vendor Securities.

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 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 – Authority to Make Placement of Securities – Incentive Options

To consider and, if thought fit, to pass as an ordinary resolution the following:

*"Pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, the Company approves and authorises the directors to grant up to 5,000,000 unlisted Options exercisable at $0.20 on or before 30 November 2006 to the Employees on the terms and conditions and in the manner set out in the Explanatory Memorandum accompanying this Notice (**"Incentive Option Issue"**)."*

Voting Exclusion

The Company will disregard any votes cast on this resolution by a person, or their associate, who may participate in the Incentive Option Issue and might obtain a benefit, (except a benefit solely in their capacity as holder of ordinary securities), if the resolution is passed.

The Company will disregard any votes cast on this resolution by a person, or their associate, who is to receive the Incentive Options.

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 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.

BY ORDER OF THE BOARD

Mark Pearce
Company Secretary
Dated: 26 May 2004

BERKELEY RESOURCES LIMITED

ABN 40 052 468 569

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 GM to be held at Level 6, BGC Centre, 28 The Esplanade, Perth, Western Australia on 28 June 2004 at 10.00am.

The purpose of this Explanatory Memorandum is to provide information that is material to shareholders in relation to the resolutions set out in the Notice of General Meeting. The Explanatory Memorandum explains the resolutions and identifies the reasons for putting them to shareholders.

2. Resolution 1 – Issue of Securities to Acquire North Asia Metals

2.1 Summary of Transaction

The Company announced to the ASX on 6 May 2004 the proposal to acquire 100% of the issued capital of North Asia Metals Pty Ltd pursuant to the North Asia Metals Share Sale Agreement (a copy of this announcement is attached to and forms part of this Explanatory Memorandum (see Attachment 1)).

This announcement included details of:

(a) the North Asia Metals Share Sale Agreement;

(b) the assets of North Asia Metals in Shandong in the Peoples Republic of China; and

(c) the effect of the transaction on the capital of the Company.

To implement all of the necessary changes involved with the proposed Transaction, Resolution 1 must be passed by the requisite majority.

Shareholders should also be aware that a number of risks are associated with the Transaction. Shareholders should see Section 2.6 of this Explanatory Memorandum for more information regarding risks associated with the Transaction.

2.2 Acquisition of North Asia Metals by the Company

(a) **General**

The Company has entered into the North Asia Metals Share Sale Agreement with the North Asia Metals Vendors and under which the Company will acquire 100% ownership of North Asia Metals.

A list of the North Asia Metals Vendors is contained in Section 2.5 of this Explanatory Memorandum.

North Asia Metals is a special purpose company that was incorporated by the North Asia Metals Vendors to enter into the Xin Zhuang Joint Venture. North Asia Metals has not undertaken any business activities other than entering the Xin Zhuang Joint Venture. The only liabilities of North Asia Metals are normal operating expenses.

(b) **Completion and Conditions Precedent**

The Company expects that Transaction Completion will occur by 31 August 2004.

Settlement is conditional upon the approval of the Shareholders, due diligence, confirmation that the relevant Business Licence has been issued to the joint venture company and satisfactory results from the Initial Exploration campaign. If these conditions precedent are not satisfied then Transaction Completion will not occur and the North Asia Metals Vendor Securities will not be issued.

(c) **Consideration**

The Company will issue to the North Asia Metals Vendors at Transaction Completion:

(i) 6,000,000 Shares and

(ii) 3,000,000 unlisted Options.

See Schedule 2 to this Explanatory Memorandum for the terms of the unlisted Options to be issued to the North Asia Metals Vendors.

(d) **Deposit**

Pursuant to the Share Sale Agreement, Berkeley has advanced a sum of US$300,000 to North Asia Metals to fund the approximate costs of an initial exploration campaign ("Initial Exploration"). In the event that Completion does not occur due to a failure by Berkeley to satisfy a condition precedent, including being satisfied with the Initial Exploration, then the deposit will be forfeited.

(e) **Substitute Asset**

The Share Sale Agreement specifies that, if the results of the Initial Exploration are unsatisfactory, the parties will work together to identify a substitute asset to replace the Xin Zhuang joint venture and allow completion of the acquisition of North Asia Metals for a consideration not exceeding the North Asia Metals Vendor Consideration.

(f) **Right of Last Refusal**

The vendors of North Asia Metals have agreed that Berkeley will have a last right of refusal to acquire any mineral project in Shandong to which the North Asia Metals vendors or their related parties have the rights.

(g) **Escrow**

The North Asia Metals Vendors have agreed to a voluntary escrow of the North Asia Metals Vendor Securities for 12 months from the date of issue or such longer period as may be required by ASX.

2.3 Assets of North Asia Metals

North Asia Metals is a party to the Xin Zhuang Joint Venture. This agreement provides for North Asia Metals to acquire 60% of a PRC incorporated joint venture company – Zhao Yuan Ao Xin Mining Limited (Zhao Yuan Ao Xin) – which in turn will acquire a number of exploration properties near the town of Xin Zhuang in Shandong province in the People's Republic of China from interests associated with the He Xi Gold Mining Group. The main exploration licence covers approximately 5 kilometres of strike of the primary Jiaojia fault, which hosts a number of significant gold deposits. The other four properties the subject of the joint venture are exploration licence applications covering a range of secondary structures in the same area. North Asia Metals has the right to earn 60% of the Xin Zhuang properties by funding exploration expenditure totalling US$1.08m over 18 months. In the event of a decision to mine any project within the Joint Venture, North Asia Metals will also provide total funding up to US$9.8m.

Further details of the joint venture assets of North Asia Metals are included in the attached copy of the ASX announcement on 6 May 2004. North Asia Metals has no other assets or liabilities other than normal operating liabilities.

As at the date of this Notice of Meeting, the Initial Exploration program had commenced. Drilling of the first of up to 8 diamond drill holes totalling up to 6,000m had commenced. The drilling had not yet reached the main target zone. The Initial Exploration program is expected to take up to 5 months.

Should material results be forthcoming from the Initial Exploration program prior to the GM, they will be released to the ASX as normal.

2.4 Effect of Shareholders not Approving the Acquisition of North Asia Metals

If Shareholders do not approve the acquisition of North Asia Metals, the Company will continue with its current business activities.

If the acquisition does not proceed, the deposit of US$300,000 advanced to North Asia Metals would likely not be repaid. In addition the Company would not be able to reclaim its costs of the Transaction to date.

2.5 Other Effects of the Transaction on the Company

The North Asia Metals Vendors on Transaction Completion will be issued the following securities:

Name	Shares	Unlisted Options
North Asia Metals Vendors		
Philip Nominees Pty Ltd	4,000,000	2,000,000
Yangtze Investments Pty Ltd	2,000,000	1,000,000
Total for The North Asia Metals Vendors	**6,000,000**	**3,000,000**

Following the acquisition of North Asia Metals, the capital structure of Berkeley will change as follows:

	Number of Shares	Number of Options (Nov 2006)	Number of Options (Oct 2006)
Opening Balance	26,689,500	19,444,750	4,750,000
Shares Issued to NAM Vendors[1]	6,000,000	3,000,000	
Total post acquisition[2]	32,689,500	22,444,750	4,750,000

Notes: 1. Assumes the acquisition of 100% of North Asia Metals.

2. Pursuant to Resolution 2, the Company may also grant up to a further 5 million Incentive Options to key employees and consultants.

In September 2003 the Company listed on ASX based on a number of Australian exploration projects. The Company is still undertaking exploration activities of these projects in line with the objectives contained in its prospectus.

The Board believe the Xin Zhuang joint venture, via the acquisition of North Asia Metals, provides a worthwhile addition to the existing suite of Australian exploration assets. Funding for the initial exploration activities will be from existing working capital reserves and identified saving in administration costs, and at this stage will not impact on the level of funding available for the Australian exploration projects. Should the exploration for the Xin Zhuang joint venture be successful, the Board will re-assess the funding for the joint venture, which may result in the Company reallocating exploration funding from other projects and/or the raising of additional capital.

2.6 Risk Factors

The risk factors that currently apply to Berkeley will also apply to the acquisition and operation of North Asia Metals. A number of additional risk factors have also been identified, which are outlined below. Any identified risk factor that may affect North Asia Metals will also apply to Berkeley, by virtue of Berkeley's shareholding and investment in that company.

2.6.1 Limited Operating History of North Asia Metals

North Asia Metals has limited operating history on which the Company can base an evaluation of its prospects. The prospects of the North Asia Metals must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.

2.6.2 China Risks

North Asia Metals mineral operations, including exploration and development activities, are located in China. China's economy differs from the economies of most developed countries in many respects, including government intervention; level of development; growth rate; control of foreign exchange; and allocation of resources.

Political Risk

Berkeley, via North Asia Metals, may own a controlling interest in a gold exploration project. Berkeley's investment in this project may be exposed to adverse political developments that could affect the economics of the project. Berkeley's investment in the project, via North Asia Metals, may be exposed to adverse political developments that could affect the economics of each operation.

State Ownership

China's economy has been undergoing a transition from a planned economy to a more market-oriented economy. Although in recent years the Chinese government has implemented economic reforms, reduced state ownership and established sound corporate governance in business enterprises, a substantial portion of productive assets in China are still owned by the Chinese government. In addition, the Chinese government continues to play a significant role in regulating industry by imposing industrial policies. It also exercises significant control over China's economic growth through the allocation of resources, control of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. North Asia Metals' future earnings could be affected if the Chinese government was to reverse recent trends and impose restrictions on North Asia Metals' business.

Government Economic Intervention

The economy of China has experienced significant growth in the past 20 years, but growth has been uneven both geographically and among various sectors of the economy. The Chinese government has implemented various measures from time to time to control the rate of economic growth. Some of these measures benefit the overall economy of China, but may have a negative effect on North Asia Metals. For example, North Asia Metals' operating results and financial position may be adversely affected by: changes in the rate or method of taxation; imposition of additional restrictions on currency conversion and remittances abroad; reduction in tariff or quota protection and other import restrictions; changes in the usage and costs of state-controlled transportation services; and state policies affecting the gold industry.

Foreign Investment

In China, foreign companies such as North Asia Metals could be required to work within a framework, which is different to that imposed on local companies. The Chinese government could also prevent and/or influence the sale of interests in companies registered in China, which may reduce the value of investments and/or mining projects located in China.

China has recently been admitted to the World Trade Organization. If the Chinese government should reverse a recent trend of reducing trade and/or investment restrictions into China on foreign companies, North Asia Metals' business and future earnings could be negatively affected.

Gold Sales

Prior to October 2002, all gold producers in China were required to sell their gold to the People's Bank of China. In October 2002 the Shanghai Gold Exchange was established to replace the People's Bank of China's purchase and allocation system. Currently the Shanghai Gold Exchange serves as a spot market for sellers and purchasers of gold and no forward sales or futures deals are handled. Mining companies that produce gold within China now have three possible classes of buyers: the smelters, the banks and the People's Bank of China, or through brokers that deal with the aforementioned entities. In addition, producers now obtain world prices for gold through the facilities of the exchange. While this is a major step in the liberalisation of gold markets in China there is no guarantee that this liberalisation process will continue, as proposed, to the point that gold imports and exports will link freely into the international market.

Repatriation Of Local Currency

North Asia Metals is currently able to repatriate all RMB funds, although repatriation is subject to a mixture of controls and regulations. Mechanisms are currently in place to allow for repatriation of profits and capital from Chinese-based foreign-operated gold mining operations. Foreign mining companies are now repatriating their dividends in foreign currency. While the Chinese Government is generally relaxing restrictions on foreign trade and investment, there is no certainty that all future local currency can be repatriated.

Currency Conversion

Foreign exchange transactions continue to be subject to significant foreign exchange controls and require the approval of the State Administration of Foreign Exchange. These limitations could affect North Asia Metals' ability to obtain foreign exchange through debt or equity financing, or to obtain foreign exchange for capital expenditures. Since 1994, the conversion of RMB into foreign currencies, including AUD and US$, has been based on rates set by the People's Bank of China, which are set daily based on the previous day's Chinese interbank foreign exchange market rate and current exchange rates on the world financial markets. Since 1994, the official exchange rate for the conversion of RMB to US$ has generally been stable. Any appreciation of the RMB, may adversely affect North Asia Metals' earnings, through higher foreign currency denominated operating costs.

Developing Legal System

The Chinese legal system is a system based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the Chinese government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. Two examples are the promulgation of the Contract Law of the PRC to unify the various economic contract laws into a single code, which went into effect on 1 October 1999, and the Securities Law of the PRC, which went into effect on 1 July 1999. However, because these laws and regulations are relatively new, and because of the limited volume of published cases and their non-binding nature, interpretation and enforcement of these laws and regulations involve uncertainties. In addition, as the Chinese legal system develops, changes in such laws and regulations, their interpretation or their enforcement may have a material adverse effect on North Asia Metals' business operations.

Approval Process

Nearly all projects require government approval. There can be no certainty that these approvals will be granted in a timely manner, or at all.

Mining Titles

The ability of North Asia Metals to carry out successful mining activities will depend on a number of factors, one of the most critical factors being the ability to obtain tenure to the satisfaction of international lending institutions. While commitments to transfer and re-issue the required licenses to North Asia Metals' subsidiary companies in China may have been made by the relevant statutory bodies, the issue of any such licenses must be in accordance with the Chinese law and in particular the relevant mining legislation. Conditions imposed by the government as well as the Chinese mining legislation generally, must also be complied with. No guarantee can be given that these tenures will be granted, or if they are granted, that North Asia Metals will be in a position to comply with all conditions that are imposed. Furthermore, while it is common practice that permits and licenses may be renewed or transferred into other forms of licenses appropriate for the ongoing operation, no guarantee can be given that a renewal or a transfer will be granted to the relevant or, if they are granted, the relevant company will be in a position to comply with all conditions that are imposed.

Zhao Yuan Ao Xin

The rights of North Asia Metals to participate in Zhao Yuan Ao Xin are predicated upon a series of documents. Should it become necessary for North Asia Metals to seek to enforce its rights under any or all of these documents, it would need to do so in accordance with the laws of at least China and perhaps other jurisdictions. There can be no assurance that should it become necessary for North Asia Metals to take such action, it will be possible to obtain the legal remedies that are being sought.

Resale of Shares

The continued operation of North Asia Metals will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If North Asia Metals is unable to generate such revenues or obtain such additional financing, any investment in North Asia Metals may be lost. In such event, the probability of resale of the shares purchased would be diminished.

Furthermore, should North Asia Metals wish to sell its interest in Zhao Yuan Ao Xin, the sale may be prohibited and/or influenced by the Chinese government, which is likely to have material adverse effect on the value of Zhao Yuan Ao Xin.

2.6.3 Results of Prior Work

Geological information provided to Berkeley and North Asia Metals has been based on data generated by exploration work previously carried out on the various projects by geologists and consultants employed by He Xi. Berkeley has not completed due diligence on the geological information and as such there is no guarantee that data generated by prior exploration work on the various projects is reliable.

2.6.4 Uninsurable Risk

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and North Asia Metals may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of North Asia Metals.

2.6.5 Native Title Claims

The current and future mineral assets of North Asia Metals may be subject to native title claims by indigenous people. Should this occur, the ability to conduct exploration and/or mining activities may be affected, which may have a material adverse effect on the Company's financial performance and the price at which its Securities trade.

2.6.6 Economic risk

Changes in the general economic climate in which Berkeley operates may adversely affect the financial performance of North Asia Metals. Factors that may contribute to that general economic climate include, the level of direct and indirect competition against North Asia Metals, industrial disruption, the rate of growth of gross domestic product in Australia and other jurisdictions that the Company has mineral assets in (including China), interest rates and the rate of inflation.

2.6.7 Foreign exchange risk

As North Asia Metal's current mineral assets are located in the People's Republic of China, capital and ongoing operational expenditure are likely to be denominated in United States Dollars and RMB, thereby increasing Berkeley exposure to foreign currency risk. To date, no hedging or other risk management strategies have been implemented to reduce the exposure to foreign currency risk.

2.6.8 Joint venture parties and contractors

Where a joint venture partner does not act in the best commercial interest of the joint venture, it could have a material adverse effect on the interests of Berkeley and its subsidiaries.

Furthermore, the Directors are unable to predict the risk of:

(a) financial failure, non compliance with obligations or default by a participant in any joint venture to which North Asia Metals and/or Zhao Yuan Ao Xin is, or may become, a party; or

(b) insolvency or other managerial failure by any of the contractors used by North Asia Metals and/or Zhao Yuan Ao Xin in its exploration activities; or

(c) insolvency or other managerial failure by any of the other service provider used by North Asia Metals and/or Zhao Yuan Ao Xin for any activity.

2.6.9 Policies and legislation

Any material adverse changes in government policies or legislation of the People's Republic of China that affect mineral exploration, development or mining activities, may affect the viability and profitability of North Asia Metals and/or Zhao Yuan Ao Xin.

2.7 ASX Listing Rule 7.1 – Shareholder approval of the North Asia Metals Vendor Issue

ASX Listing Rule 7.1 requires shareholder approval for the proposed North Asia Metals Vendor Issue to the North Asia Metals Vendors. 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 shares proposed to be issued represent more than 15% of the Company's securities then on issue.

Given the North Asia Metals Vendor Issue under Resolution 1 will exceed this 15% threshold and none of the exceptions contained in Listing Rule 7.2 apply to the North Asia Metals Vendor Issue, Shareholder approval is required in accordance with Listing Rule 7.3.

Specific Information Required by ASX Listing Rule 7.3

For the purposes of shareholder approval of the North Asia Metals Vendor Issue and the requirements of Listing Rule 7.3, information is provided as follows:

(a) the maximum number of shares the Company can issue under Resolution 1 is 9,000,000 Shares based on the following:

		Number of Shares
(i)	Upon settlement to the North Asia Metals Vendors	6,000,000
(ii)	Upon the exercise of the Options	3,000,000
		9,000,000

(b) Up to 6,000,000 shares will be issued and allotted no later than three (3) months after the date of this Meeting or such later date as approved by ASX;

(c) Up to 3,000,000 Options will be granted no later than three (3) months after the date of this Meeting or such later date as approved by ASX;

(d) the deemed issue price of the shares to be issued under Resolution 1 is 20 cents;

(e) the unlisted Options to be granted under Resolution 1 will be granted free of charge.

(f) the allottees are the North Asia Metals Vendors as noted in the table in Section 2.5 of this Explanatory Memorandum above, none of whom are related parties, or their associates, of the Company;

(g) the shares are ordinary listed fully paid shares in the capital of the Company;

(h) The terms of the Options are contained in Schedule 2 of this Explanatory Memorandum;

(i) a voting exclusion statement is included in the Notice; and

(j) no funds will be raised from the issue, because the issue comprises consideration for the purchase by the Company of all the issued capital of North Asia Metals.

3. Resolution 2 – Authority to Grant Incentive Options

Resolution 2 seeks shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 5,000,000 Incentive Options, each with an exercise price of $0.20, to be issued and allotted at the discretion of the Directors.

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 shares or options proposed to be issued represent more than 15% of the Company's securities then on issue.

Given the Incentive Option Issue under Resolution 2 will exceed this 15% threshold and none of the exceptions contained in Listing Rule 7.2 apply to the Incentive Option Issue, Shareholder approval is required in accordance with Listing Rule 7.3.

Specific Information Required by ASX Listing Rule 7.3

For the purposes of shareholder approval of the Incentive Option Issue and the requirements of Listing Rule 7.3, information is provided as follows:

(a) the maximum number of securities the Company can issue is 5,000,000;

(b) the Incentive Options will be issued no later than three (3) months after the date of this Meeting or such later date as approved by ASX;

(c) the Incentive Options will be issued for nil consideration and therefore no funds will be raised.

(d) the terms of the Incentive Options are contained in Schedule 2 of this Explanatory Memorandum;

(e) the Incentive Options will be granted to Employees chosen at the discretion of the Directors; and

(f) a voting exclusion statement is included in the Notice.

4. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully. A Proxy Form is attached to the Notice. This is to be used by shareholders if you wish to appoint a representative (a "proxy") to vote in your place. All shareholders are invited and encouraged to attend the General Meeting or, if you are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a shareholder from attending and voting at the General Meeting in person.

Shareholders are invited to contact the Company Secretary, Mr Mark Pearce, on (08) 9322 6322 if they have any queries in respect of the matters set out in these documents.

Schedule 1- Definitions

In this Explanatory Memorandum and Notice of Annual General Meeting:

"GM" means the General Meeting of the Company.

"ASIC" means Australian Securities and Investments Commission.

"ASX" means Australian Stock Exchange Limited.

"Chair" means the person appointed to chair the general meeting of the Company convened by this Notice.

"Company" means Berkeley Resources Limited ABN 40 052 468 569.

"Constitution" means the Constitution of the Company as at the date of the Annual General Meeting.

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

"Directors" means the directors of the Company.

"Employees" means employees of the Company, be they engaged as employees or as consultants, but not including directors of the Company, or their associates.

"Incentive Options" means the Options to acquire shares in the Company granted to the Employees pursuant to the Incentive Option Issue.

"Listing Rules" means the listing rules of ASX.

"North Asia Metals" means North Asia Metals Pty Limited ACN 106 792 161.

"North Asia Metals Share Sale Agreement" means the Share Sale Agreement entered into between the Company, North Asia Metals and the North Asia Metals Vendors dated 6 May 2004.

"North Asia Metal Vendors" means the Vendors of the North Asia Metals Share Sale Agreement as identified in section 2.5 of this Explanatory Memorandum.

"Notice" means this Notice of General Meeting.

"Options" means options to acquire new shares in the Company on the terms and conditions set out in Schedule 2.

"**PRC**" means the People's Republic of China

"Resolution" means a resolution referred to in this Notice.

"Share" means, as contemplated by this Notice, a fully paid ordinary share in the capital of the Company.

"Shareholder" means a shareholder of the Company.

"Transaction" means the acquisition of North Asia Metals pursuant to the North Asia Metals Share Sale Agreement.

"Transaction Completion" means completion of the Transaction.

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

Schedule 2 - Terms and conditions of Options

1. **Exercise Date**

   The Options are exercisable wholly or in part at any time before 5:00 pm (WST) on 30 November 2006. Options not exercised by that date shall lapse.

2. **Exercise Price**

   Each Option shall entitle the Optionholder to acquire one fully paid ordinary share in the Company ("Share") upon payment of the sum of A$0.20.

3. **Notice of Exercise**

   Each Option may be exercised at any time before the expiry of the Options by the Optionholder completing and forwarding to the Company a notice of exercise and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of the Option on the first business day after the date of receipt of the notice. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".

4. **No Quotation of Options**

   Application will not be made by the Company to ASX for official quotation of the Options.

5. **Quotation of Shares on Exercise**

   Application will be made for official quotation of the Shares issued upon exercise of Options. The Company will not be under any obligation to ensure that such Shares will be officially quoted.

6. **Non-Transferable**

   The Options are not transferable.

7. **Participation Rights or Entitlements**

   There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of securities offered to shareholders before the expiry of the Options. However, the Company will ensure that for the purposes of determining entitlements as to any such issue, the record date will be at least 10 business days after the issue is announced so as to give Optionholders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

8. **Shares Allocated on Exercise**

   Shares allocated pursuant to the exercise of Options will be allotted following receipt of all the relevant documents and payments and will rank equally with all other Shares on issue.

9. **Reconstruction of Share Capital**

   If at anytime before the expiry of the Options there is a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Optionholder shall be reconstructed in accordance with the ASX Listing Rules.

10. **Bonus Issues**

    If at anytime before the expiry of the Options the Company makes a pro rata issue of Shares to shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the date for calculating entitlements to the pro rata issue.

11. **Pro Rata Issue**

    Listing Rule 6.22 does not apply to the Options.

Attachment 1

Australian Stock Exchange Release

By Berkeley Resources Ltd

Dated 6 May 2004

BERKELEY RESOURCES LTD

6 May 2004

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

ACQUISITION OF GOLD EXPLORATION PROJECT IN SHANDONG, CHINA

Berkeley Resources Limited (Berkeley) is pleased to announce that it has secured the rights to acquire a majority interest in a gold exploration project in the premier Chinese gold mining province of Shandong.

Shandong, on the east coast of China between Beijing and Shanghai, has a very long history of gold mining and is responsible for a quarter of China's gold production. Provincial mining and exploration infrastructure is well established.

The Xin Zhuang joint venture is with interests associated with the He Xi Gold Mining Group – a private Chinese company that owns the He Xi Gold Mine near Zhao Yuan city. The joint venture covers a very prospective area of the Jiaojia fault near the village of Xin Zhuang in Western Shandong. The geology of the Jiaojia fault, which hosts a number of major gold mines, is well known. The joint venture tenements on the fault have been the subject of comprehensive geophysical surveys which identified a number of immediate drill targets. The Xin Zhuang joint venture includes approximately 30 km² of tenements on the Jiaojia fault and secondary faults in the Jiaojia region.

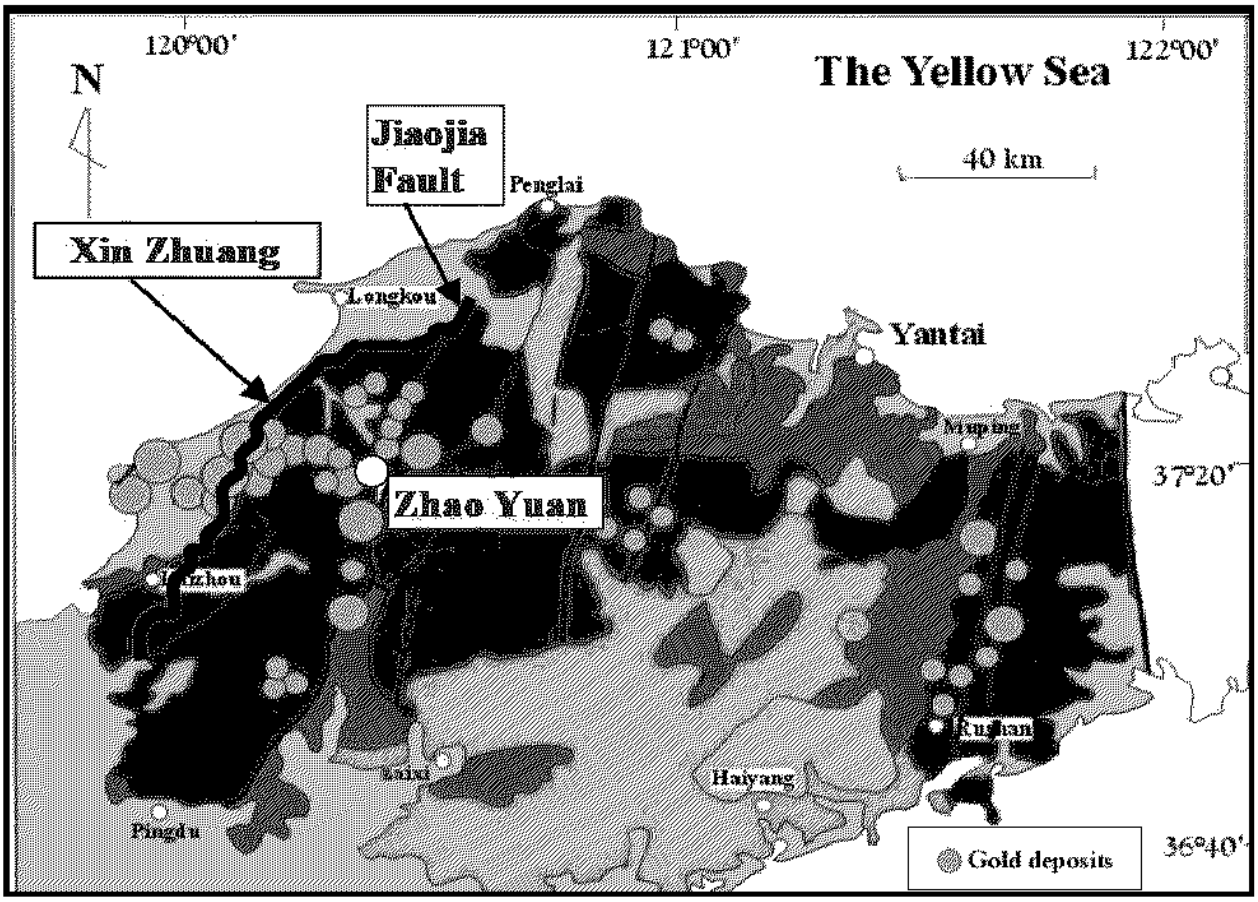
Berkeley will earn a 60% interest in the JV by spending a minimum of US$300,000 within 6 months and thereafter opting to sole fund the JV up to a decision to mine. An initial drilling campaign on the first of 3 main targets will commence shortly, comprising 8 diamond holes totalling around 6,000m. Geophysical surveys of the balance of the main tenements will also commence shortly.

Berkeley will acquire North Asia Metals Pty Ltd ("NAM"), a private Australian company, which has the right to earn the joint venture interest. The consideration for the acquisition of NAM will be 6,000,000 Berkeley shares and 3,000,000 options to acquire Berkeley shares at 20cents each by 30 November 2006.

Settlement of the NAM acquisition is subject to a number of conditions including Berkeley shareholder approval, due diligence, establishment of the Xin Zhuang JV company, issue of a Business Licence to the JV company and satisfactory results from the initial drilling program. Berkeley has advanced to NAM a non-refundable deposit of US$300,000 to fund the initial drilling campaign. These funds will not be transferred to the JV until issue of the Business Licence. The deposit has been funded from Berkeley's existing working capital.

The Directors of Berkeley believe the Xin Zhuang joint venture provides a worthwhile addition to the existing suite of Australian exploration assets and will call a General Meeting of shareholders to approve the acquisition and an issue of employee options, on the same terms as existing options, in due course.

Shandong Project Locations



From: Proceedings of the International Symposium on Gold Geology and Exploration in Zhaoyuan, the Gold City of China. August 2002

Enquiries - Managing Director: Peter Batten Telephone: (61 8) 9322 6322
Facsimile: (61 8) 9322 6558
Email: info@berkeleyresources.com.au

SHANDONG PROVINCE

The Shandong Province is located on the Jiaodong Peninsula, southeast of Beijing. The province is the premier gold mining region of China with a history of continuous mining over the last 100 years. The Shandong Province is responsible for around one quarter of China's annual gold production and has over a quarter of China's gold reserves and resources.

Shandong has very high quality exploration and mining infrastructure by Chinese standards, servicing a long established mining industry that is very important to the provincial economy.

The province is located in the southeast portion of the North China Craton and plays host to over 100 known gold deposits. More than 80% of these lodes are hosted within Mesozoic granitoid rocks or their contacts with basement rocks, making Shandong the largest granitoid related gold province in the world.

For more detail on the geology of the Shandong peninsula see the following report:

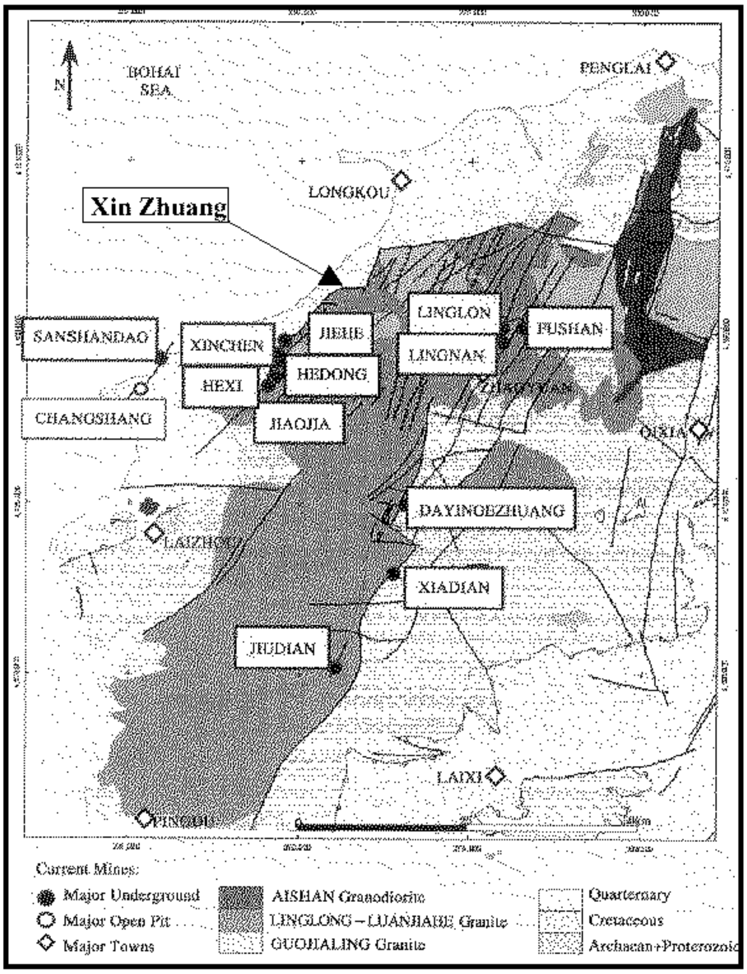
"Mesozoic Gold Deposits in the Eastern Shandong Peninsula, P. R. China: Preliminary Geology, Geochemistry and Fluid Inclusion Characteristics." Y Yao, LJ Robb. CR Anhaeusser, HL Ying, BG Liu and GZ Tu. Economic Geology Research Institute, University of Witwatersrand, Johannesburg.

Available at www.wits.ac.za/geosciences/egri/pdf%20files/361.pdf

XIN ZHUANG AGREEMENT

By acquiring NAM, Berkeley will acquire an interest in an Equity Joint Venture Contract with Zhao Yuan He Xi Yu Lin Limited ("He Xi").

The Xin Zhuang project is located 15 kilometres north east of the He Xi Gold Mine and covers over 5 kilometres of strike of the prolific primary Jiaojia Fault. The Jiaojia fault hosts ten significant mines at sites of flexure further south from the Xin Zhuang project where the fault is exposed.

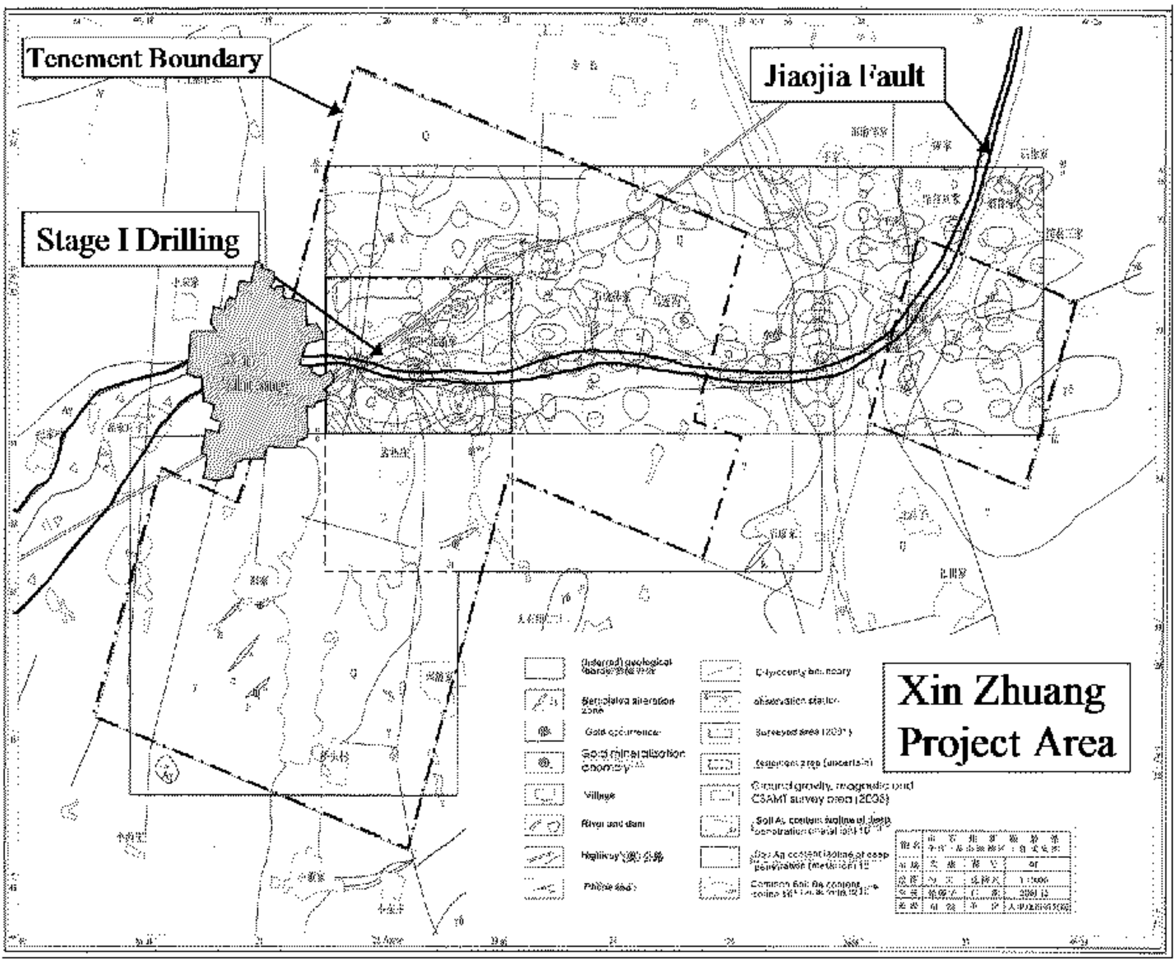


Xin Zhuang Project Location

The Jiaojia Fault at Xin Zhuang is covered by an average of 30m of Quaternary cover and as a result has not previously been mined or drilled. He Xi conducted comprehensive ground based geophysical and soil geochemistry surveys in 2000 that confirmed the continuation of the fault below the cover. The geophysical surveys have identified three significant flexures on the Xin Zhuang tenements of the type hosting major deposits in the South of the Jiaojia fault.

To date the geophysical and geochemistry data from only the Western quarter of the Xin Zhuang tenements has been processed. This interpretation has identified an initial eight anomalous targets (combinations of geophysical and geochemical anomalies) which are drill ready. Drilling of these targets – 8 diamond drill holes for 6000m - is expected to commence in May 2004 and take up to 5 months to complete.

The interpretation of the data for the remaining 3 quarters of the tenement will proceed in conjunction with the drilling program. This first stage of drilling at Xin Zhuang is expected to cost approximately US$300,000.



The Xin Zhuang project includes approximately 30 km² of tenements along and around the Jiaojia fault. These tenements also cover a number of secondary faults, which are similar to others which host a number of producing mines in the region.

He Xi Gold Mining Group is based in Chan Zhuang Town in the City of Zhao Yuan and is a private company with diversified interests, of which gold mining is its principal activity. The company controls 32 mines and/or plants employing 3,200 staff and workers in the production of (approximately) 70,000 ozs Au per annum. The He Xi gold mine is one of the deepest in the Shandong Province at 680m, is the national leader in mechanized mining and the group is in the top ten producing mining groups nationally.

The Xin Zhuang agreement gives Berkeley the right to fund all stages of exploration. The joint venture tenements will be transferred in accordance with PRC law to a Chinese domiciled company, Zhao Yuan Ao Xin Mining Limited, in which Berkeley will hold a 60% interest and He Xi 40%. Berkeley will earn its initial interest by funding the first US$300,000 exploration campaign and can then elect to contribute up to US$1.08m over 18 months. Thereafter, in the event of a decision to proceed to mine, Berkeley will provide a further US$8m in funding. After funding of $1.8m Berkeley may withdraw from the joint venture with a conditional entitlement to reclaim its funding to that point.

The process of application for a Business Licence for the joint venture company has commenced.

STRUCTURE OF JOINT VENTURE

A joint venture company, Zhao Yuan Ao Xin Mining Limited, has been established. The Company is registered in the Shandong Province and may be entitled to a number of tax concessions and investment incentives.

The board of Zhao Yuan Ao Xin Mining Limited is proposed to be made up of seven directors, four from Berkeley and three from He Xi. Berkeley has the right to appoint the General Manager.

ACQUISITION OF NORTH ASIA METALS PTY LTD

Berkeley will acquire 100% of North Asia Metals Pty Ltd (NAM), a privately owned Australian company that owns the right to participate in the joint venture.

Consideration for the acquisition of NAM will comprise the allotment of 6,000,000 fully paid Berkeley shares and 3,000,000 unlisted options to acquire Berkeley shares for 20 cents each before 30 November 2006.

Completion of the Share Sale Agreement is conditional upon:

- Satisfactory due diligence being completed by Berkeley on NAM and the NAM assets;
- Shareholder approval to the issue of shares and options;
- Issue of a business licence to the Xin Zhuang joint venture company;
- Berkeley electing to proceed after completion of the initial drill campaign.

Berkeley has advanced a sum of US$300,000 to NAM as a non-refundable deposit to fund the initial drilling campaign. These funds will not be advanced to the JV Company until the relevant Business Licence is issued. In the event that the Business Licence is issued but the NAM acquisition does not proceed, the deposit will be forfeited and the consideration securities will not be issued.

The vendors of NAM have agreed to enter into a voluntary escrow over the consideration securities. The escrow will remain in force for 12 months from the date of approval of the issue of the securities, unless a longer period is imposed by the ASX under Chapter 9 of the Listing Rules.

The vendors of NAM have also agreed that NAM/Berkeley will have a right of last refusal over any additional mining or exploration assets secured by the vendors in Shandong province PRC. Berkeley will review any future opportunities in the PRC in light of the nature of the asset as well as progress with and obligations arising from its existing assets.

Mr. P Batten, MAusIMM, MGSA compiled the technical aspects of this report. Mr. Batten has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being reported on to qualify as a Competent Person as defined in the 1999 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr. Batten consents to the inclusion in the report of the matters in the form and context in which it appears.

BERKELEY RESOURCES LIMITED

ABN 40 052 468 569

PROXY FORM

The Company Secretary
Berkeley Resources Limited

By delivery:	***By post:***	***By facsimile:***
Level 9, 28 The Esplanade	PO Box Z5083	+61 8 9322 6558
PERTH WA 6000	PERTH WA 6831	

I/We [1]____

of ____

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

votes in the Company, hereby appoint [2]____
or failing him the chairman of the 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 10.00am on 28 June 2004 (WST) at Level 6, 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 RESOLUTIONS

IMPORTANT: FOR RESOLUTIONS 1 and 2

☐ If the chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on Resolutions 1 and 2, please tick this box. By marking this box you acknowledge that the chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 and 2 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 Meeting will not cast your votes on Resolutions 1 and 2 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions.

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

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

		For	**Against**	**Abstain**
Resolution 1	Issue of Securities to acquire North Asia Metals	☐	☐	☐
Resolution 2	Granting of Incentive Options	☐	☐	☐

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	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	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 Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the 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.

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 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 Meeting (WST).