Berkeley
Resources Ltd

18 June 2010

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

Employee Incentive Options

Berkeley Resources Limited ("Berkeley") wishes to advise that it has issued 3,285,000 unlisted options to employees under the Employee Option Scheme approved by shareholders on 21 June 2007.

The options are exercisable for $1.35 each, with one third vesting 18 June 2011, one third vesting 18 June 2012 and the remaining third vesting 18 June 2013. All options expire on 18 June 2014.

In addition, 500,000 unlisted $1.00 options have been exercised.

An Appendix 3B in relation to the issue of these securities along with the terms and conditions of the employee incentive options are attached.

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Berkeley Resources Limited

ABN

40 052 468 569

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	A: Ordinary Shares B: Employee Incentive Options - $1.35
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	A: 500,000 B: 3,285,000
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	A: Fully paid ordinary shares B: Employee Incentive Options exercisable at $1.35 each vesting as follows: 1,095,000 on or after 18 June 2011 1,095,000 on or after 18 June 2012 1,095,000 on or after 18 June 2013 All options expire on 18 June 2014

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	A: Yes B: Not applicable
5	Issue price or consideration	A: $1.00 each B: Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	A: Exercise of $1.00 Unlisted Options expiring 31 May 2013. B: Granted to employees in accordance with the terms of the Berkeley Employee Options Scheme which was approved by a majority of Shareholders on 21 June 2007.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	18 June 2010

8 Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
136,090,319	Ordinary shares
12,670,716	$0.75 Options

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	1,500,000 2,160,000 787,500 1,000,000 1,000,000 1,000,000 3,285,000	$1.00 Unlisted Options $1.86 Incentive Options $1.00 Incentive Options $1.25 Incentive Options – 2013 $1.25 Incentive Options – 2014 $1.25 Incentive Options – 2015 $1.35 Incentive Options

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable

20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not Applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements *in full* through a broker?	Not applicable
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	Not applicable

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	Not applicable
39	Class of +securities for which quotation is sought	Not applicable
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Not applicable
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	Not applicable

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)	Not applicable	

Quotation agreement

1 $^{+}$Quotation of our additional $^{+}$securities is in ASX's absolute discretion. ASX may quote the $^{+}$securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the $^{+}$securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those $^{+}$securities should not be granted $^{+}$quotation.

- An offer of the $^{+}$securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any $^{+}$securities to be quoted and that no-one has any right to return any $^{+}$securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the $^{+}$securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the $^{+}$securities to be quoted, it has been provided at the time that we request that the $^{+}$securities be quoted.

- If we are a trust, we warrant that no person has the right to return the $^{+}$securities to be quoted under section 1019B of the Corporations Act at the time that we request that the $^{+}$securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before $^{+}$quotation of the $^{+}$securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 18 June 2010

(~~Director~~/Company secretary)

Print name: Clint McGhie

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+ See chapter 19 for defined terms.

Terms and Conditions of Employee Incentive Options

1. Exercise Price

The exercise price of each Incentive Option is $1.35 (**"Exercise Price"**).

2. Expiry Date

The Incentive Options have an expiry date that is four years from the date of issue ("**Expiry Date**").

3. Exercise Period

Each Incentive Option is exercisable at any time after the Vesting Date of the Incentive Option and before the Expiry Date.

4. Vesting Date

The Incentive Options vest as follows:

(a) one third of the Incentive Options vest 12 months from issue;

(b) one third of the Incentive Options vest 24 months from issue;

(c) one third of the Incentive Options vest 36 months from issue.

(d) all Incentive Options any time during the following periods:

- (i) the offer period within the meaning of section 624 of the Corporations Act in respect of a takeover bid for all of the fully paid ordinary shares in the capital of the Company (**Share**);
- (ii) after an offer in respect of a takeover bid for all of the Shares is made on an unconditional basis or becomes unconditional; and
- (iii) after the Company has announced to ASX its agreement with another company of entity for an offer to be made for all of the Shares pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act.

5. Quotation of Incentive Options

Application will not be made for the official quotation on ASX of the Incentive Options.

6. Entitlement

The Incentive Option entitles the holder to subscribe for one Share upon exercise of each Incentive Option.

7. Notice of Exercise

The Incentive Options may be exercised by notice in writing to the Company. Any notice of exercise of an Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.

8. Lapse Of Options

Unless the Board in their absolute discretion determine otherwise, Incentive Options shall lapse upon the earlier of:

(a) the expiry of the Expiry Date;

(b) the expiry of 30 days after the Incentive Option holder ceases to be an employee by reason of dismissal, resignation, retirement or termination of employment, office or services for any reason;

(c) a determination by the Board that the Incentive Option holder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or an associated body corporate.

9. Timing of issue of Shares

Within 15 Business Days after the later of the following:

(a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Incentive Option being exercised the Company; and

(b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information

the Company will:

(c) allot and issue the Shares pursuant to the exercise of the Incentive Options;

(d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and

(e) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Incentive Options.

10. Shares issued on exercise

Shares issued on exercise of the Incentive Options rank equally with the then Shares of the Company.

11. Participation in new issues

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give holders of Incentive Options the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

12. Adjustment for bonus issues of Shares

If the Company 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):

(i) the number of Shares which must be issued on the exercise of an Incentive Option will be increased by the number of Shares which the Incentive Option holder would have received if the Incentive Option holder had exercised the Incentive Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

13. Adjustment for rights issue

If the Company 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 Incentive 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 Incentive Option.

E = the number of underlying Shares into which one Incentive 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 new Share.

14. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Incentive Option holders will be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

15. Incentive Options non transferable

The Incentive Options are not transferable.

16. Lodgement instructions

Cheques shall be in Australian currency made payable to the Company and crossed “Not negotiable”. The application for Shares on exercise of the Incentive Options with the appropriate remittance should be lodged at the Company’s Share Registry.