



**BERKELEY** *energia*

ACN 052 468 569

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## **NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia on Thursday, 22 November 2018 commencing at 2:00pm (WST).**

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*This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, 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 + 61 8 9322 6322.***

**Shareholders are urged to attend or vote by lodging the Proxy Form attached to the Notice.**

# BERKELEY ENERGIA LIMITED

## ACN 052 468 569

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### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Berkeley Energia Limited (**Company**) will be held at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia on Thursday, 22 November 2018 commencing at 2:00pm (WST) (**Meeting**).

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

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 20 November 2018 at 4:00pm (WST).

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

### AGENDA

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#### 1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2018, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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#### 2. Resolution 1 – Remuneration Report

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."*

##### Voting Exclusion

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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### 3. Resolution 2 – Re-election of Director – Mr Ian Middlemas

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

*"That, pursuant to and in accordance with Listing Rule 14.4 and Article 6.3(c) of the Constitution and for all other purposes, Mr Ian Middlemas, Director, retires and being eligible pursuant to Article 6.3(f) of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### 4. Resolution 3 – Election of Director – Mr Deepankar Panigrahi

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

*"That, pursuant to and in accordance with Listing Rule 14.4, with Article 6.3(j) of the Constitution and for all other purposes, Mr Deepankar Panigrahi, Director, who was appointed as a casual vacancy on 30 November 2017, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### 5. Resolution 4 – Approval of 10% Placement Facility

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by a person (and any associates of such a person) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Ordinary Securities in the entity).

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson 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**

*[lodged electronically without signature]*

Dylan Browne  
**Company Secretary**

Dated: 19 October 2018

# BERKELEY ENERGIA LIMITED

## ACN 052 468 569

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia on Thursday, 22 November 2018 at 2:00pm (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Resolution 2 – Re-election of Director – Mr Ian Middlemas
Section 6:	Resolution 3 – Election of Director – Mr Deepankar Panigrahi
Section 7:	Resolution 4 – Approval of 10% Placement Facility
Schedule 1:	Definitions
Schedule 2:	Listing Rule 7.3A.6 Disclosure

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

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice (including this Explanatory Memorandum) carefully before deciding how to vote on the Resolutions.

#### 2.1 Proxies

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

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 2:00pm (WST) on Tuesday, 20 November 2018, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## 2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on Resolution 1; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on Resolution 1, but expressly authorises the Chairperson to exercise the proxy even if Resolution 1 is connected with the remuneration of a member of the Key Management Personnel.

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## 3. Annual Report

In accordance with section 317 of the Corporations Act, the Annual Report for the financial year ended 30 June 2018 must be laid before the Meeting.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <http://berkeleyenergia.com/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Auditor about:

- (a) the preparation and contents of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit, may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 – Remuneration Report

As detailed in the 2018 Annual Report, the Board and management of the Company have achieved a number of major milestones during and subsequent to the financial year ended 30 June 2018.

The milestones achieved include, amongst other things:

- (i) On 6 July 2017, the Company announced that the capital cost for the construction of the Salamanca mine has reduced to €82.3 million (US\$93.8 million), a 1% reduction over previous estimates;

- (ii) On 12 July 2017, the Company announced that the primary crusher for the Salamanca mine had been delivered to site, marking a key milestone in the future construction of the Salamanca mine;
- (iii) On 30 November 2017 following shareholder approval, the Company completed an investment agreement with SGRF who agreed to invest up to US\$120 million in the Company which comprised an interest-free and unsecured convertible loan note of US\$65 million, as well as an options package exercisable at an average price of £0.85 per share contributing an additional US\$55 million if exercised;
- (iv) On 6 June 2018, the Company completed the admission of its shares to the main market of the London Stock Exchange following approval of its prospectus by the UK Listing Authority.
- (v) On 9 July 2018, the Company announced that a capital cost review initiated by the Company has identified a number of opportunities to reduce the capital expenditure to bring the Salamanca mine into production with potential savings of €9 million (based on the FEED estimate in July 2017) which will be taken forward to detailed engineering; and
- (vi) On 18 July 2018, the Company became Spain's only listed mining company following the admission of its shares to the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

During the year the Company established an independent Remuneration and Nomination Committee (**Remcom**) to oversee the Group's remuneration and nomination responsibilities and governance. The remuneration committee members consist of three independent Non-Executive Directors being Mr Adam Parker (as Chair), Mr Nigel Jones and Mr Robert Behets.

The Remcom's role is to determine the remuneration of the Company's Executives, oversee the remuneration of KMP, and approve awards under the Company's short-term and long-term incentive plans.

The Remcom reviews the performance of Executives and KMP and sets the scale and structure of their remuneration and the basis of their service/consulting agreements. In doing so, the Remcom have due regard to the interests of shareholders.

In determining the remuneration of Executives and KMP, the Remcom will seek to enable the Company to attract and retain executives of the highest calibre. In addition, the Remcom will decide whether to grant incentives securities in the Company and, if these are to be granted, who the recipients should be.

During the 2018 financial year the Remcom concluded that no bonus is to be paid, or is payable to KMP as the Remcom will be reviewing the Company's short term incentive remuneration for KMP and is only likely to complete this review prior to the end of the 2018 calendar year.

Further details of the Company's remuneration practises and outcomes for the 2017 financial year are detailed on pages 15 to 22 of the Annual Report.

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out:

- (a) the Company's remuneration policy; and
- (b) the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Pursuant to the Corporations Act, Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGMs.

The Company's Remuneration Report received a second strike at the 2017 AGM and a spill resolution was consequently put to Shareholders at the 2017 AGM. The spill resolution was not passed at the 2017 AGM.

In accordance with section 250U(c) of the Corporations Act, the Company is not required to put a spill resolution to Shareholders at the AGM if more than 25% of Shareholders vote against Resolution 1 because a spill resolution was considered by Shareholders (which did not pass) at the immediately preceding AGM i.e. 2017 AGM.

The Chairperson will allow a reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

The Board recommends that Shareholders vote in favour of Resolution 1.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## **5. Resolution 2 – Re-election of Director – Mr Ian Middlemas**

In accordance with Listing Rule 14.4 and Article 6.3(b) of the Constitution, a Director must not hold office (without re-election) past the third AGM following the directors appointment or 3 years, whichever is longer.

Article 6.3(c) of the Constitution requires that one third of the Directors must retire at each AGM (rounded down to the nearest whole number), excluding the Managing Director.

Article 6.3(f) of the Constitution states that a Director who retires from office under Article 6.3(b) or Article 6.3(c) of the Constitution is eligible for re-election.

Resolution 2 therefore provides that Mr Ian Middlemas retires by rotation and seeks re-election as a Director.

Details of the qualifications and experience of Mr Ian Middlemas are in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr Ian Middlemas) supports the re-election of Mr Ian Middlemas and recommends that Shareholders vote in favour of Resolution 2.

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## **6. Resolution 3 – Election of Director – Mr Deepankar Panigrahi**

In accordance with Article 6.3(j) and Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next AGM of the entity.

Article 6.2(b) of the Constitution allows the Directors to appoint a person to fill a casual vacancy at any time or to appoint a person as a Director in addition to the existing Directors.

Mr Deepankar Panigrahi was appointed on 30 November 2017 to fill a casual vacancy pursuant to Article 6.2(b) of the Constitution.

Article 6.3(j) of the Constitution states that a Director appointed under Article 6.2(b) must retire at the next AGM following his or her appointment.

Article 6.3(j) of the Constitution states that a Director retiring from office under Article 6.2(b) is eligible for re-election.

Accordingly, Mr Deepankar Panigrahi will retire as a Director at the Meeting and, being eligible, seeks to be elected as a Director.

Details of Mr Deepankar Panigrahi's background and experience are set out in the Annual Report.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

The Board (excluding Mr Deepankar Panigrahi) supports the election of Mr Deepankar Panigrahi and recommends that shareholders vote in favour of Resolution 3.

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## **7. Resolution 4 – Approval of 10% Placement Facility**

### **7.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c)).

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

### **7.2 Listing Rule 7.1A**

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted classes of Equity Securities: Shares.



(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

*Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 258,415,420 Shares and has a capacity to issue:

- (i) 38,762,313 Equity Securities under Listing Rule 7.1; and
- (ii) subject to obtaining Shareholder approval being sought under Resolution 4, 25,841,542 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c)).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **10% Placement Period**).

### **7.3 Listing Rule 7.1A**

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

### **7.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Ordinary Securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.

- (d) The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Ordinary Securities the Company has on issue. The

number of Ordinary Securities on issue may increase as a result of issues of Ordinary Securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of Ordinary Securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.125 50% decrease in Issue Price	\$0.25 Issue Price	\$0.50 100% increase in Issue Price
<b>Current Variable A 258,415,420 Shares</b>	<b>10% Voting Dilution</b>	25,841,542 Shares	25,841,542 Shares	25,841,542 Shares
	<b>Funds raised</b>	\$3,566,133	\$7,106,424	\$14,212,848
<b>50% increase in current Variable A 387,623,130 Shares</b>	<b>10% Voting Dilution</b>	38,762,313 Shares	38,762,313 Shares	38,762,313 Shares
	<b>Funds raised</b>	\$5,349,199	\$10,659,636	\$21,319,272
<b>100% increase in current Variable A 516,830,840 Shares</b>	<b>10% Voting Dilution</b>	51,683,084 Shares	51,683,084 Shares	51,683,084 Shares
	<b>Funds raised</b>	\$7,132,266	\$14,212,848	\$28,425,696

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.275, being the closing price of the Shares on ASX on 18 October 2018.
- (e) The Company will only issue Equity Securities during the 10% Placement Period.
- (f) The Company may seek to issue Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense

associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
  - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and new Shareholders who are not a related party or an associate of a related party of the Company.
- (j) Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the subscribers under the 10% Placement Facility will be the vendors of the new resources assets or investments.
- (k) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2017 AGM. In the 12 months preceding the date of the Meeting the Company issued a total of 155,940,124 Equity Securities which represents 57.6% of the total number of Equity Securities on issue at 29 November 2017. Further detail as required under Listing Rule 7.3A.6 in respect of these Equity Securities issued in the preceding 12 months is set out in Schedule 2.
- (l) A voting exclusion statement is included in the Notice for Resolution 4.
- (m) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## **7.5 Director Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 4.

## Schedule 1 – Definitions

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

**\$ or \$A** means Australian Dollars.

**£** means Great British Pounds.

**10% Placement Facility** has the meaning given in Section 7.1.

**10% Placement Period** has the meaning given in Section 7.2(f).

**AGM** means an annual general meeting of the Shareholders.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2018.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company's auditor from time to time (being Ernst & Young as at the date of the Notice).

**Auditor's Report** means the Auditor's report on the Financial Report.

**Board** means the board of Directors of the Company.

**Chairperson** means the person appointed to chair the Meeting convened by the Notice.

**Closely Related Party** means in relation to a member of a Key Management Personnel:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Berkeley Energia Limited ACN 052 468 569.

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Convertible Loan Note** means an interest free and unsecured convertible note issued to SGRF with a principal amount of US\$65 million which can be converted into shares at up to £0.50 per Share.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the meaning given in the Listing Rules.

**Explanatory Memorandum** means this explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Key Management Personnel or KMP** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Managing Director** means the Managing Director.

**Meeting** has the meaning given to that term in the introductory paragraph of the Notice.

**Notice** means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

**Option** means an option which entitles the holder to subscribe for one Share.

**Ordinary Securities** has the same meaning given to that term in the Listing Rules.

**Performance Condition** means, in respect of a Performance Right, the relevant condition which must be satisfied in order for the Performance Right to vest.

**Performance Right** means a right to subscribe for or otherwise acquire a Share subject to the achievement of certain milestones.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution proposed pursuant to the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

**SGRF** means the State General Reserve Fund of the Sultanate of Oman or the Singapore Mining Acquisition Co. Pte Ltd

**SGRF Options** means an Options issued to SGRF which entitles SGRF to subscribe for one Share.

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

**Shareholder** means a registered holder of a Share.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**US\$** means US Dollars.

**VWAP** means volume weighted average price.

**WST** means Australian Western Standard Time, being the time in Perth, Western Australia.

## Schedule 2 – Listing Rule 7.3A.6 Disclosure

### Issues of Equity Securities during the 12 months preceding the date of the Meeting

No.	Date of Issue	Number	Class <sup>1</sup>	Persons to whom the securities were issued	Issue price per share	Discount (if any) to market price on date of issue	Consideration	
1.	30 Nov 2017	100,880,000	Convertible Loan Note	SGRF	£0.50 (~A\$0.85)	Premium of ~2.8% on announcement of capital raising	Total consideration:	US\$65 million (~A\$86 million)
2.	30 Nov 2017	10,088,625	SGRF Options	SGRF	Exercise Price of £0.60 each vesting on conversion of the Convertible Loan Note and expiring the earlier of 12 months after vesting or on 30 Nov 2022.	Not applicable	Total consideration (non-cash):	The current value of the options is \$1.4 million <sup>3</sup>
3.	30 Nov 2017	15,132,937	SGRF Options	SGRF	Exercise Price of £0.75 each vesting on conversion of the Convertible Loan Note and expiring the earlier of 18 months after vesting or on 30 May 2023.	Not applicable	Total consideration (non-cash):	The current value of the options is \$1.7 million <sup>3</sup>
4.	30 Nov 2017	25,221,562	SGRF Options	SGRF	Exercise Price of £1.00 each vesting on conversion of the Convertible Loan Note and expiring the earlier of 24 months after vesting or on 30 Nov 2023.	Not applicable	Total consideration (non-cash):	The current value of the options is \$2.1 million <sup>3</sup>
5.	9 Feb 2018	36,000	Performance Rights	Employees and consultants as part of the Company's Performance Rights Plan	Nil – Performance Rights remain unvested until specific Performance Conditions are met prior to relevant expiry dates.	Not applicable	Total consideration (non-cash):	The current value of the Performance Rights is \$9,900 <sup>4</sup>
6.	18 May 2018	150,000	Fully paid ordinary shares	KMP Option holders upon the exercise of unlisted Options	£0.25 – exercise of Unlisted Options	Not applicable	Total consideration:	£37,500 (~A\$67,000)
7.	29 June 2018	3,500,000	Fully paid ordinary shares	KMP Option holders upon the exercise of unlisted Options	£0.15 – exercise of Unlisted Options	Not applicable	Total consideration:	£525,000 (~A\$937,500)
8.	29 June 2018	150,000	Fully paid ordinary shares	KMP Option holders upon the exercise of unlisted Options	£0.30 – exercise of Unlisted Options	Not applicable	Total consideration:	£45,000 (~A\$80,000)

No.	Date of Issue	Number	Class <sup>1</sup>	Persons to whom the securities were issued	Issue price per share	Discount (if any) to market price on date of issue	Consideration	
9.	17 Aug 2018	81,000	Fully paid ordinary shares	Shares issued to employees in Spain as part of a Spanish employee share award scheme	Nil	Not applicable	Total consideration (non-cash):	The current value of the shares is \$22,275.
10.	17 Aug 2018	700,000	Performance Rights	Employees and consultants as part of the Company's Performance Rights Plan	Nil – Performance Rights remain unvested until specific Performance Conditions are met prior to relevant expiry dates.	Not applicable	Total consideration (non-cash):	The current value of the Performance Rights is \$192,500 <sup>4</sup>

#### Notes to Table

##### 1. Terms of Securities

All Shares issued during the 12 months preceding the date of this Meeting were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares (terms are set out in the Constitution of the Company), with the only exception being that some Shares are subject to escrow restrictions.

##### 2. Use of funds

The intended use for the remaining amount of cash is for development activities at the Salamanca mine and for working capital. At 30 June 2018 the Company held \$101 million in cash reserves.

##### 3. SGRF Option Valuations

The value is measured using a Black & Scholes option pricing model per the Company's Annual Report.

##### 4. Performance Rights Valuations


The value is measured in reference to the Company's share price on 18 October 2018 using an appropriate option pricing model.



# Berkeley Energia Limited

ABN 40 052 468 569

## Lodge your vote:

 **Online:**  
www.investorvote.com.au

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) www.intermediaryonline.com

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

BKY

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

XX



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 2:00pm (WST) Tuesday, 20 November 2018**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Berkeley Energia Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Berkeley Energia Limited to be held at the Conference Room, Ground Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia on Thursday, 22 November 2018 at 2:00pm (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Ian Middlemas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Mr Deepankar Panigrahi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

\_\_\_\_\_

Contact Daytime Telephone

\_\_\_\_\_

Date / /

\_\_\_\_\_

Email Address

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

B K Y

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Computershare +