



17 May 2019

UPDATED TERMS OF ENGAGEMENT OF MANAGING DIRECTOR AND CEO

In accordance with Listing Rule 3.16.4, Barra Resources Limited (ASX:BAR) advises of the following material variations to the terms of engagement of its Managing Director and CEO, Mr Sean Gregory:

1. Amendment to executive remuneration package

- (a) **(Base Salary)**: Effective from 14 February 2019, an increase in Mr Gregory's base salary from \$275,000 to \$315,000 (inclusive of superannuation).
- (b) **(Cash Payments)**: Cash payments will be payable to Mr Gregory as follows:
 - (i) a once off \$30,000 (pre-tax) cash bonus payable on or before 22 March 2019;
 - (ii) a once off \$50,000 (pre-tax) cash bonus payable subject to, and upon, delivery to the Company of a positive pre-feasibility study in respect of the Mount Thirsty Project with key metrics demonstrating commercial viability of not less than those metrics (IRR and NPV and recovery of key metals) as detailed in the relevant scoping study (**Pre-Feasibility Study**); and
 - (iii) a once off \$100,000 (pre-tax) cash bonus payable subject to, and upon, execution of a binding agreement (or agreements) within 6 months of delivery of the Pre-Feasibility Study, providing for funding, an asset sale or procurement of a joint venture development partner, in respect of the Mount Thirsty Project.

2. Amendment to exercise price of unvested options

- (a) Subject to the conditions detailed in paragraph 2(b) below, the reduction of the exercise price of 6,000,000 unquoted options held by Mr Gregory (**Options**), which have an expiry date of 16 November 2020 and which vest after 24 months of Mr Gregory's continuous employment with the Company, from \$0.10 to the lower of:
 - (i) 145% of the volume weighted average price of the Company's shares traded on ASX during the 10 days on which sales in shares were recorded on ASX ending on the day before the date of receipt of approval from shareholders for the proposed change; and
 - (ii) \$0.10.



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- (b) The proposed reduction of exercise price of the Options as detailed above is subject to each of the following conditions being satisfied:
 - (i) receipt of a waiver from Listing Rule 6.23.3 in respect of the proposed reduction in exercise price on terms acceptable to the Company (acting reasonably) (**ASX Waiver**); and
 - (ii) the satisfaction of all conditions to the ASX Waiver (including, for the avoidance of doubt, receipt of any required shareholder approval),

(together, the **Conditions**).
- (c) The proposed reduction of exercise price of the Options will take effect on and from the date the last of the Conditions is satisfied, or such other date as may be required by the conditions to the ASX Waiver.

A handwritten signature in black ink, appearing to read "Berrell".

Gary Berrell

Chairman

Barra Resources Limited