



10 October 2016

Dear Shareholders,

Barra Resources Limited plans to raise \$1,000,000 by way of a Share Purchase Plan (SPP) to fund our 50% share of metallurgical test work, drilling and scoping studies at the Mount Thirsty Cobalt Project as well as exploration of gold targets at Phillips Find Mining Centre and the Burbanks Gold Project. To participate, all you need to do is own a Barra share as at the Record Date, being 7 October 2016. The SPP gives you, the shareholder, the right to participate for a fixed number of shares, regardless of how many shares you actually own.

Under the SPP you will have 4 options to choose from:

1. Purchase 50,000 shares at 4 cents for \$2,000
2. Purchase 125,000 shares at 4 cents for \$5,000
3. Purchase 250,000 shares at 4 cents for \$10,000
4. Purchase 375,000 shares at 4 cents for \$15,000

To participate in the raising, a minimum of 50,000 shares needs to be purchased. The maximum allowable is 375,000 shares. You may choose only one of the four options.

Terms and conditions of the SPP together with an application form with banking details are attached. The Closing Date for the SPP is 26 October 2016. However, the **Directors reserve the right to close the offer early** and as such we recommend that if you wish to participate, that you lodge your application form early.

The recent focus on cobalt and particularly the Mt Thirsty Cobalt Project (Barra – 50% share) coincides with the Mt Thirsty Joint Venture partners' agreement to commence more metallurgical drilling in advance of a Scoping Study over the Project. Furthermore, the Board is highly encouraged by the drill targets at Burbanks (Mainlobe) and Phillips Find Mining Centre. The pricing of 4 cents per share is an 18% discount to the 5 day volume weighted average price for Barra's shares. We believe, this pricing is extremely attractive and gives the shareholders an excellent investment entry level. Your directors fully intend to participate in the SPP by taking up their maximum entitlements.

Together with major shareholder FMR Investments Pty Ltd, Barra is progressing work at Burbanks North with a view to commencing a tribute mining operation in coming months (Barra 35% of profits).

Please read the SPP terms and conditions carefully before making a decision as to whether to invest and consult your stockbroker or professional adviser if you have any queries.

We look forward to applying funds from the SPP towards our activities that will return shareholder value.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G Berrell', is written over a light blue circular stamp that contains the word 'Barra'.

**GARY BERRELL**  
Chairman



## **BARRA RESOURCES LIMITED SHARE PURCHASE PLAN OFFER**

Barra Resources Limited ABN 76 093 396 859 ("**Company**") wishes to implement a Share Purchase Plan ("**Plan**"). The Plan offers eligible shareholders the ability to subscribe for \$2,000, \$5,000, \$10,000 or \$15,000 worth of fully paid ordinary shares in the Company ("**Shares**") through the Plan. To be eligible, you were required to be registered as a holder of fully paid ordinary shares, with a registered address in Australia and New Zealand as at 5.00pm (WST) on 7 October 2016.

The Company presently intends to limit the amount raised pursuant to the Plan to \$1,000,000 but reserves the right to accept oversubscriptions based upon the level of demand. In the event of an oversubscription, clause 11 of the terms and conditions attached will apply.

The funds raised by the Plan will be used metallurgical test work, drilling and scoping studies at the Mount Thirsty Cobalt Project (Barra 50%) as well as exploration of gold targets at Phillips Find Mining Centre and the Burbanks Gold Project and for working capital purposes.

The offer of Shares under the Plan ("**Offer**") **opens on 12 October 2016 and closes at 5pm (WST) on 26 October 2016**. No late applications will be accepted, however the directors of the Company ("**Directors**") reserve the right to close the Offer early or extend the closing date.

The purchase price for each Share under the Plan is \$0.04 (4 cents) per Share. This price is approximately an 18% discount from the volume weighted average price over the five (5) trading days ending 7 October 2016.

The market price of Shares in the Company may rise or fall between the date of this Offer and the date that Shares are issued to you under this Offer. This means that the price at which Shares are issued to you under this Offer may be greater or less than the prevailing market price of Shares at the date of this Offer. Further, the issue price may exceed the price at which you would be able to buy Shares on the market at the same time that Shares are issued to you under this Offer. We recommend that you seek financial advice from a suitably qualified adviser before you decide to participate in this Offer.

If you are eligible to subscribe for Shares under the Plan and you wish to participate, you must subscribe for 50,000 Shares for a consideration of \$2,000, 125,000 Shares for a consideration of \$5,000, 250,000 Shares for a consideration of \$10,000 or a maximum number of 375,000 Shares for a consideration of \$15,000. No fraction of Shares will be issued. The Company reserves the right to allot fewer Shares than an eligible shareholder applies for under the Offer, or no Shares, and any determination by the Directors in respect of any scaling back will be final. The number of Shares to be issued under the Plan shall not be greater than 30% of the number of Shares on issue. In the event that applications are received in excess of this threshold, the Company proposes to scale back the amount available to be subscribed for under each subscription option (being either \$2,000, \$5,000, \$10,000 or \$15,000), starting with the highest first. That is, applications for \$15,000 will be reduced first in order to bring the total subscriptions within the allowable threshold until such reduction reaches the next highest subscription option, being \$15,000, whereby these two upper subscription options will then be scaled downwards in equal proportions, and so forth. If a scale back occurs, the Company will refund any excess application money to eligible shareholders (without interest).

Please carefully read the terms and conditions relating to the Offer, as you will be bound by them.

If you have any questions in respect of the Plan, the Offer, or these terms and conditions please contact the Company's share registry on (08) 9315 2333.

## TERMS AND CONDITIONS

The following are the terms and conditions of the Offer under the Plan ("**Terms and Conditions**"). By accepting the offer to subscribe for Shares under the Plan, you will have agreed to be bound by these Terms and Conditions and the Company's constitution.

**1. Class order 09/425 issued by the Australian Securities and Investments Commission**

The Offer has been structured to comply with the Australian Securities and Investments Commission Class Order 09/425 (as may be amended from time to time) ("**ASIC Class Order 09/425**") to enable the Company to issue Shares without a prospectus.

**2. Opening and closing date of the Offer**

The Offer opens at 9.00am (WST) on 12 October 2016.

The Offer closes at 5.00pm (WST) on 26 October 2016.

No late applications will be accepted, however the Directors reserve the right to close the Offer early or extend the closing date.

**3. Who is eligible to participate in the offer?**

You are eligible to apply for Shares in the Offer if:

- your registered address, as recorded in the Company's register of members, is in Australia or New Zealand; and
- you were registered as a holder of Shares as at 5.00pm (WST) on 7 October 2016.

The Offer to each eligible shareholder is made on the same terms and conditions.

The Offer is non-renounceable (ie. you may not transfer your right to subscribe for Shares under the Offer to anyone else).

**4. Is the Offer voluntary?**

The Offer is entirely voluntary and is subject to these Terms and Conditions. You do not have to participate if you don't want to.

**5. How was the issue price determined?**

The issue price for each Share under the Offer is \$0.04 (4 cents). This price is approximately a 18% discount to the volume weighted average market price of Shares sold on the ASX during the previous five (5) trading days ending 7 October 2016.

**6. Important Information on price risk to consider**

Before deciding whether to accept the Offer, you should refer to the current market price of Shares, which can be obtained from the financial pages of your daily newspaper, your stockbroker, your financial adviser, or the ASX. Please note that the market price of Shares may rise or fall between the date of this Offer and the date when the Shares are issued to you under the Plan. This means that the price you pay per Share under this Offer may be greater than or less than the price of Shares at the time the Shares are issued to you pursuant to this Offer. ***In determining whether you wish to participate in this Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your own circumstances.***

**7. How much can you invest in the Offer?**

Subject to paragraph 8, if you are an eligible shareholder under the Plan, you can subscribe for a maximum of 375,000 Shares which will cost \$15,000. There is a minimum limit of 50,000 Shares that you can subscribe for under the Plan, which will cost \$2,000.

Please note that the maximum limit of 375,000 Shares applies to you even if you receive more than one Offer from the Company. For example, if you are both a sole and a joint shareholder of the Company as at 7 October 2016, you can only apply for Shares under the Offer once, either in your capacity as sole shareholder or joint shareholder, not both.

No fractions of Shares will be issued.

## 8. Custodian Certification

If on **7 October 2016** you are a custodian within the definition of "custodian" in ASIC Class Order 09/425 ("Custodian") and hold Shares on behalf of one or more persons (each a "Participating Beneficiary"), you may apply for up to a maximum of \$15,000 worth of Shares for each Participating Beneficiary, subject to providing a notice in writing to the Company on application for Shares pursuant to the Offer certifying the following:

- (a) either or both of the following:
  - (i) that the Custodian holds Shares on behalf of one or more other persons (each a "Participating Beneficiary") that are not Custodians; and
  - (ii) that another Custodian ("**Downstream Custodian**") holds beneficial interests in Shares on behalf of one or more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

  - (iii) where clause 8(a)(i) applies – the Custodian; and
  - (iv) where clause 8(a)(ii) applies – the Downstream Custodian,

to apply for Shares on their behalf under the Plan;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary:
  - (i) where clause 8(a)(i) applies, the number of Shares that the Custodian holds on their behalf; and
  - (ii) where clause 8(a)(ii) applies, the number of Shares to which the beneficial interests relate ;
- (e) in respect of each Participating Beneficiary:
  - (i) where clause 8(a)(i) applies, the number or the dollar amount of Shares they instructed the Custodian to apply for on their behalf; and
  - (ii) where clause 8(a)(ii) applies, the number or the dollar amount of Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$15,000:
  - (i) the Shares applied for by the Custodian on their behalf under the Plan in accordance with the instructions in clause 8(e); and
  - (ii) any other Shares issued to the Custodian in the 12 months before the application under the Plan as a result of an instruction given by them to the Custodian or Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the Plan;
- (g) that a copy of the written Offer document was given to each Participating Beneficiary; and
- (h) where clause 8(a)(ii) applies, the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a certificate under this paragraph 8, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.

For the purpose of ASIC Class Order 09/425, you are a Custodian if you are registered holder of Shares that:

- (a) holds an Australian financial services licence that:
  - (i) covers the provision of a custodial or depositary service (as these terms are defined in section 766E of the Corporations Act); or
  - (ii) includes a condition requiring the holder to comply with the requirements of ASIC Class Order 02/294; or
- (b) is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service under:
  - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (Cth); or
  - (ii) ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184; or
  - (iii) paragraph 911A(2)(h) of the Corporations Act; or
- (c) is a trustee of a:
  - (i) self-managed superannuation fund; or
  - (ii) superannuation master trust; or
- (d) is the responsible entity of an IDPS-like scheme; or
- (e) is the registered holder of Shares and is noted on the register of members of the body or scheme (as the case may be) as holding the Shares on account of another person.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in paragraph 7 apply.

## **9. Shareholder Certification**

Subject to paragraph 8, an eligible shareholder must, on application for Shares pursuant to the Offer, certify to the Company that the total of the application price for the following does not exceed \$15,000:

- (a) the Shares the subject of the application under the Plan;
- (b) any other Shares issued to the eligible shareholder under the Plan or any similar arrangement in the 12 months before the application under the Plan; and
- (c) any other Shares which the eligible shareholder has instructed a Custodian to acquire on their behalf under the Plan; and
- (d) any other Shares issued to a Custodian in the 12 months before the application under the Plan as a result of an instruction given by the eligible shareholder to the Custodian to apply for Shares on their behalf under an arrangement similar to the Plan.

## **10. Costs of Participation**

The only cost to you associated with the Offer is the issue price of the number of Shares you wish to subscribe for. Under the Offer you do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

## **11. Allotment of Shares and Variation on Number of Shares Issued**

The Shares will be allotted 10 business days after the closing date.

The Company's share registry, Security Transfer Registrars Pty Limited, will send to you a holding statement in due course.

The Company presently intends to limit the amount raised pursuant to the Plan to \$1,000,000 but reserves the right to accept oversubscriptions based upon the level of demand. Without limiting the above, the Company reserves the right to allot fewer Shares than an eligible shareholder applies for under the Offer or no Shares, in the Company's discretion or if the Company believes the allotment of those Shares would contravene any law or the ASX Listing Rules. No interest will be paid on any money returned.

**12. What Rights Will the Shares Carry?**

Once the Shares are issued, they will rank equally with existing Shares in the Company and will carry the same voting rights, dividend rights, and entitlements to dividends, rights and bonus issues.

**13. Can the Company Change the Plan?**

The Plan may be changed, suspended or terminated by the Company at any time. If the Company changes, suspends or terminates the Plan it will advise ASX. The accidental omission to give notice of changes to or suspension or termination of the Plan or the non-receipt of any such notice will not invalidate the change, suspension or termination.

**14. Directors' Participation**

The directors of the Company, as eligible shareholders, may participate in the Offer (without having to obtain shareholder approval), on the same terms as all other shareholders in the Company.

**15. How Do You Pay for the Shares?**

All amounts in this Offer are expressed in Australian dollars. You must pay for the Shares either by:

- (a) BPAY® payment via internet or phone banking. You must also quote your reference number which is on the Share Purchase Plan Application Form. If you use this method, you should be aware of your financial institution's cut-off time (the time payment must be made by to be processed overnight). It is your responsibility to ensure funds are submitted correctly by the closing date and time; or
- (b) cheque, bank draft or money order in Australian dollars. Please make your cheque, bank draft or money order payable to "**Barra Resources Limited Share Application Account**" and cheques are crossed "**Not Negotiable**".

**Please ensure payment is for the exact amount.**

If you do not provide the exact amount, the Company reserves the right to, where you have not elected to pay by BPAY®, return your Share Purchase Plan Application Form and cheque, bank draft or money order. If the Company returns your Share Purchase Plan Application Form and cheque, bank draft or money order, no Shares will be allotted to you.

If you make a BPAY® payment and do not provide the exact amount, you will be deemed to have applied for such Shares for which you have paid, subject to the Terms and Conditions of the Plan.

You may only apply for the following numbers of Shares:

50,000 Shares – Total amount payable at 4 cents per Share is \$2,000

125,000 Shares – Total amount payable at 4 cents per Share is \$5,000

250,000 Shares – Total amount payable at 4 cents per Share is \$10,000

375,000 Shares – Total amount payable at 4 cents per Share is \$15,000

The minimum number of Shares you may subscribe for is 50,000 Shares and the maximum number of Shares you may subscribe for is 375,000 Shares.

**16. Will the Shares be quoted on the ASX?**

The Company will apply for the Shares allotted to you to be quoted on ASX, within the relevant period specified in the ASX Listing Rules.

**17. How is a Dispute Resolved?**

The Company may settle any dispute in connection with the Plan in any manner it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision shall be final and binding.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions.

## HOW DO YOU APPLY FOR SHARES UNDER THE OFFER

1. If you want to participate in this Offer please carefully read the Terms and Conditions relating to the Offer.
2. If you make a BPAY® payment, please ensure you make a payment for the exact amount of the Share parcel you want to subscribe for. You will be deemed to have applied for such Shares for which you have paid, subject to the Terms and Conditions of the Plan. You must quote your reference number which is on the Share Purchase Plan Application Form.

If you use this method, you should be aware of your financial institution's cut-off time (the time payment must be made by to be processed overnight). It is your responsibility to ensure funds are submitted correctly by the closing date and time, being no later than 5pm (WST) on 26 October 2016. **No late applications will be accepted, although the Directors reserve the right to close the Offer early or extend the closing date.**

**You do not need to return the Share Purchase Plan Application Form if you have made payment via BPAY®.**

3. If you send in your cheque, bank draft or money order, you must complete all the required details in the enclosed Share Purchase Plan Application Form, noting that all amounts are expressed in Australian dollars:
  - (i) Cross the box for the number of Shares you want to subscribe for noting the amount payable for that number of Shares.
  - (ii) Insert your name and telephone contact number and/or email address so that we may contact you if necessary.
  - (iii) You do not need to sign the Share Purchase Plan Application Form.
  - (iv) Ensure your cheque, bank draft or money order is made out for the exact amount of the Share parcel you want to subscribe for, payable to "**Barra Resources Limited Share Application Account**" and cheques crossed "**Not Negotiable**".
  - (v) Follow the payment instructions on the Share Purchase Plan Application Form and ensure that your completed Share Purchase Plan Application Form and payment reach Security Transfer Australia Pty Ltd by the closing date of the Offer being no later than 5pm (WST) on 26 October 2016. **No late applications will be accepted, although the Directors reserve the right to close the Offer early or extend the closing date.**

In determining whether you wish to participate in this Offer you should seek personal financial and/or taxation advice referable to your own circumstances.

**By accepting this Offer you agree to be bound by the Terms and Conditions of the Offer and the Constitution of the Company.**