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BARRA RESOURCES LIMITED

ABN 76 093 396 859

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

**FRIDAY, 1 NOVEMBER 2019
COMMENCING AT 9.30 AM (WST)**

AT

**HLB MANN JUDD
LEVEL 4, 130 STIRLING STREET
PERTH
WESTERN AUSTRALIA**

**BARRA RESOURCES LIMITED
NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Barra Resources Limited ("Barra" or "the Company") will be held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia on Friday, 1 November 2019 at 9.30 am WST.

AGENDA

FINANCIAL REPORT

To table the Annual Financial Report of the Company for the year ended 30 June 2019 and the related Director's Report, Director's Declaration and Audit Report thereon.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting prohibition

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Company's Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Company's Key Management Personnel.

RESOLUTION 2: RE-ELECTION OF MR GARY BERRELL AS A DIRECTOR

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

"That Mr Gary Berrell, having retired in accordance with clause 9.3 of the Constitution of the Company and being eligible for re-election, be and is hereby re-elected as a director."

RESOLUTION 3: AMENDMENT TO TERMS OF DIRECTOR OPTIONS

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

"That pursuant to and in accordance with Listing Rule 6.23.3 and for all other purposes, Shareholders approve the variation to the terms of the 6,000,000 Director Options issued to Mr Sean Gregory (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the holder of the Director Options or any of their associates. However, the Company need not disregard a vote cast on this Resolution if 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 it is cast by the Chair of 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.

Voting prohibition

Further, a person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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RESOLUTION 4: APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Short Explanation: The Company seeks approval to issue an additional 10% of the Company's issued ordinary securities during a 12 month period in accordance with Listing Rule 7.1A.

The Company will disregard any votes cast in favour of this Resolution by or on behalf of 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 Shares), or an associate of that person (or those persons). However, the Company need not disregard a vote cast on this Resolution if 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 it is cast by the Chair of 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.

RESOLUTION 5: AMENDMENT TO THE CONSTITUTION

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

"That for the purposes of section 136(2) of the Corporations Act, the Constitution of the Company be modified by making the amendment contained in the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from 1 December 2019."

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. The Chair of the Meeting will vote undirected proxies FOR all the proposed Resolutions.

The proxy form expressly authorises the Chair to exercise the proxy in relation to Resolution 1 (Adoption of Remuneration Report) and Resolution 3 (Amendment to terms of Director Options) even though those Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Any undirected proxies held by a Director, any member of the Key Management Personnel or any of their Closely Related Parties (who are not the Chair of the Meeting) will not be voted on Resolutions 1 or 3.

Key Management Personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 30 June 2019. Their Closely Related Parties are defined in the Corporations Act, and include certain of their family members, dependents and companies they control.

4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is Wednesday 30 October 2019 at 5.00 pm (WST).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's share registry in accordance with the instructions on that form.

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By order of the Board



Grant J Mooney
Company Secretary

Dated: 27 September 2019

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**BARRA RESOURCES LIMITED
EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Barra Resources Limited (the "Company").

This 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 accountant, solicitor or other professional adviser prior to voting. Details of the definitions and abbreviations are set out in the Glossary to this Explanatory Memorandum.

FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the annual financial report of the Company for the financial year ended 30 June 2019 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item. Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, Part 2G.2, Division 9 of the Corporations Act gives Shareholders the opportunity to remove the Board (except the managing director) if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board (excluding the managing director).

The Chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

RESOLUTIONS 2 - RE-ELECTION OF DIRECTOR GARY BERRELL

Clause 9.3 of the Constitution requires that at an Annual General Meeting one-third of Directors for the time being shall retire from office. A retiring Director is eligible for re-election.

Clause 9.3 of the Constitution and Listing Rule 14.4 also provide that a Director must not hold office, without re-election, for over three years.

Mr Gary Berrell was most recently re-elected as a Director at the 2016 annual general meeting.

In accordance with the Constitution and Listing Rule 14.4, Mr Berrell retires as a Director and being eligible, offers himself for re-election as a Director.

Mr Berrell is the Company's Non-Executive Chairman.

Mr Berrell was first appointed to the Board on 22 March 2005.

Mr Berrell has a background in banking and finance and was an Executive Director of Macquarie Bank for seven years. He has had over 25 years' experience trading a broad range of products including foreign exchange, bonds, equities, futures and commodities. He has held a variety of management positions throughout this time. He has been involved in extensive committee work for financial markets associations covering areas of market regulation and prudential risk management, and has represented Australia at numerous overseas foreign exchange market conferences.

Mr Berrell is considered to be an independent Director.

All Directors, with the exception of the Director being offered for re-election, recommend Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – AMENDMENT OF TERMS OF DIRECTOR OPTIONS

General

On 17 May 2019, the Company announced that it had agreed to certain amendments to the terms and conditions to the terms of engagement of the Company's Managing Director and Chief Executive Officer, Mr Sean Gregory.

The amendments comprised of:

- (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 as follows:
 - (i) a once off \$30,000 (pre-tax) cash bonus, which was paid on or about 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.
- (c) Amendment to exercise price of unvested options:

Subject to the conditions detailed below, the reduction of the exercise price of 6,000,000 unquoted options held by Mr Gregory (**Director Options**), which have an expiry date of 16 November 2020 and which currently vest after 24 months of Mr Gregory's continuous employment with the Company, from \$0.10 to the lower of:

- (i) 145% of the VWAP 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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(Proposed Amendment).

The Proposed Amendment to the exercise price of the Director 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**).

The Proposed Amendment 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.

The Company has received the ASX Waiver. The ASX Waiver is conditional on the Company obtaining Shareholder approval for the amendment of the exercise price of the Director Options. The Company now seeks this Shareholder approval by this Resolution 3. If Resolution 3 is not passed by the requisite majority of Shareholders, the exercise price of the Director Options will not be amended.

The Board (other than Mr Gregory) recommends that Shareholders vote in favour of Resolution 3.

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

Resolution 3 is an ordinary resolution.

Listing Rules 6.23.3

A change which has the effect of reducing the exercise price or increasing the period for exercise of options is prohibited under Listing Rule 6.23.3.

For this reason, the Company has sought and obtained the ASX Waiver of Listing Rule 6.23.3 to allow the Proposed Amendment to be applied to the Director Options.

Grounds for the ASX Waiver application submitted by the Company included:

- (a) The Director Options are unquoted and are not excessive in number as they represent approximately 1% of the Company's issued capital on a fully diluted basis. The Proposed Amendment will not undermine the integrity of Listing Rule 6.23.3 as there will be no impact on optionholders or shareholders or on the capital structure of the Company.
- (b) The Proposed Amendment:
 - (i) is not significant;
 - (ii) does not undermine the rights of the Company's Shareholders;
 - (iii) is unlikely to have an impact on the market for the Company's quoted securities;
 - (iv) does not seek to achieve a different outcome from that which was intended at the time the Director Options were issued;
 - (v) does not provide for any change to the expiry date of the Director Options; and
 - (vi) does not seek to extract an economic benefit from the Company at the expense of Shareholders.
- (c) Although the Proposed Amendment provides for an exercise price that is potentially lower than the current exercise price of the Director Options, the Proposed Amendment is calculated as the lower of:
 - (i) 145% of the VWAP of the 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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and as such will not be "in the money" and will therefore continue to act as an appropriate incentive for Mr Gregory.

- (d) The Proposed Amendment forms an essential component of Mr Gregory's executive remuneration package, and will act as a genuine incentive for Mr Gregory's participation in the future growth of the Company.
- (e) The ASX Waiver was sought on the condition that Shareholder approval for the Proposed Amendment will be obtained.

Chapter 2E of the Corporations Act

Under section 208 of the Corporations Act, for a public company to give a financial benefit to a related party (such as a director of the Company), the public company or entity must obtain the approval of the company's members unless the giving of the financial benefit falls within an exception set out in sections 210 and 216 of the Corporations Act.

Section 229 of the Corporations Act defines "financial benefit" broadly and states that the economic and commercial substance of the conduct is to prevail over its legal form. Accordingly, while it is not proposed that additional equity will be issued to Mr Gregory, the disinterested Directors considered it prudent to consider Chapter 2E of the Corporations Act in agreeing to the Proposed Amendment. The disinterested Directors concluded that the benefit granted by the Proposed Amendment constitutes reasonable remuneration for Mr Gregory's role and, as such, falls within the exception set out in section 211 of the Corporations Act. In reaching this view, the disinterested Directors considered, amongst other things:

- (a) The Company's prevailing Share price and the exercise price of the Director Options;
- (b) the need for the Company to effectively incentivise the Company's CEO while aligning the incentive with increasing Shareholder value;
- (c) the composition and value of the remuneration packages of chief executive officers of other ASX-listed companies of similar size and circumstances to that of the Company;
- (d) the desirability of preserving cash resources within the Company; and
- (e) the terms of the Director Options.

The Board believes that by undertaking the Proposed Amendment, the Director Options will remain an effective remuneration tool which preserves the cash reserves of the Company whilst providing valuable remuneration and incentive to Mr Gregory.

RESOLUTION 4 - APPROVAL OF 10% PLACEMENT FACILITY

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 and its market capitalisation at the date of this Notice of Meeting is approximately \$11 million.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact 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.

As disclosed in the Company's quarterly activities reports, the Company is exploring and developing a portfolio of gold, nickel and cobalt assets in Western Australia. The Company may use the 10% Placement Facility to advance these projects, for consideration for new resources assets and investments, and for working capital purposes.

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 this Resolution.

Description of 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 class 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:

$$(A \times D) - E$$

where:

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

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) 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 the approval of shareholders 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 this Notice, the Company has on issue 538,890,740 Shares and therefore has a capacity to issue:

- (i) 80,833,611 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being provided under Resolution 4, 53,889,074 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.

(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 in which trades in the class of securities to be issued 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

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- (ii) the date of the approval by shareholders 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), (**10% Placement Period**).

Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the 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. 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).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The 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 in which trades in the class of securities to be issued 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 (in the case of Options, only if the Options are exercised). 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.

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 this Notice. 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		
		\$0.01 50% DECREASE IN ISSUE PRICE	\$0.02 ISSUE PRICE	\$0.04 100% INCREASE IN ISSUE PRICE
CURRENT VARIABLE A 538,890,740 SHARES	10% Voting dilution	53,889,074 shares	53,889,074 Shares	53,889,074 Shares
	Funds raised	\$538,891	\$1,077,781	\$2,155,563
50% INCREASE IN CURRENT VARIABLE A 808,336,110 SHARES	10% Voting Dilution	80,833,611 Shares	80,833,611 Shares	80,833,611 Shares
	Funds raised	\$808,336	\$1,616,672	\$3,233,344
100% INCREASE IN CURRENT VARIABLE A 1,077,781,480 SHARES	10% Voting Dilution	107,778,148 Shares	107,778,148 Shares	107,778,148 Shares
	Funds raised	\$1,077,782	\$2,155,563	\$4,311,126

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.

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- (ii) No Options 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 \$0.02, being the closing price of the Shares on ASX on 26 September 2019.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the 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 project evaluation/study expenditure on the Company's current assets and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (f) 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 allottees 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).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (g) A voting exclusion statement is included in the Notice. 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 the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
- (h) The Company has previously obtained Shareholder approval under Listing Rule 7.1A.
- (i) Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

Over the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued 8,000,000 Equity Securities. This represents 1.4% of the total number of Equity Securities on issue at the commencement of that 12-month period. The details for each separate issue of Equity Securities issued during the 12 months preceding the date of the Meeting are:

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Date of issue	Number of securities	Type of security	Recipient of securities	Issue price and details of any discount	Consideration and use of funds
12 November 2018	4,000,000	Shares	Directors and management on exercise of Options	\$0.02 per Share, representing a discount of 45.9% to the closing market price on the date of issue (\$0.037)	\$80,000 The funds have been expended in full on exploration and working capital
12 November 2018	4,000,000	Shares	Directors and management on exercise of Options	\$0.03 per Share, representing a discount of 18.9% to the closing market price on the date of issue (\$0.037)	\$120,000 The funds have been expended in full on exploration and working capital

RESOLUTION 5 – AMENDMENT TO THE CONSTITUTION

General

The Company is currently governed by its existing Constitution which it has had in place since it was admitted to the official list of ASX in 2000.

Under section 136(2) of the Corporations Act, a company can modify its constitution or a provision of its constitution by special resolution. Accordingly, the Company seeks Shareholder approval to amend its Constitution by a special resolution of shareholders as set out below.

A copy of the amended constitution will be sent to Shareholders on request and will also be available for inspection at the office of the Company during normal business hours prior to the Meeting.

Background

Changes to the Listing Rules will commence on 1 December 2019 which will require a listed entity's constitution to contain certain provisions regarding Restricted Securities if the entity has any Restricted Securities on issue. Although the Company does not presently have any Restricted Securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of Restricted Securities, the Board considers it prudent to take this opportunity to update the Constitution to ensure it complies with these new requirements.

With effect from 1 December 2019, ASX intends to apply a two-tier escrow regime where ASX can require certain more significant holders of Restricted Securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A of the Listing Rules, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holders of restricted securities and to simply give a notice to the holders of Restricted Securities in the form to be set out in an appendix to the Listing Rules, advising them of those restrictions.

To facilitate the operation of the new two-tier escrow regime, certain changes are required to the customary provisions of constitutions of ASX-listed entities regarding Restricted Securities.

Proposed amendment

Clause 20 of the Constitution currently provides as follows:

'20 *Restricted Securities*

20.1 *Disposal during Escrow Period*

Restricted Securities cannot be disposed of during the Escrow Period except as permitted by the Listing Rules or ASX.

The Company must not acknowledge a disposal (including by registering a transfer) of Restricted Securities during the Escrow Period except as permitted by the Listing Rules or ASX.

20.2 *Breach of Restriction Agreement or Listing Rules*

BARRA RESOURCES LIMITED
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During a breach of the Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement, the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities.'

By Resolution 5, the Company seeks Shareholder approval to delete clause 20 of the Constitution in its entirety and replace it with the following:

'20 Restricted Securities

While the Company is on the official list of ASX, the Company must recognise and comply with the Listing Rules with respect to Restricted Securities.

Without limiting the obligation to comply with the Listing Rules:

- (a) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX;*
- (b) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
- (c) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer), of Restricted Securities during the escrow period except as permitted by the Listing Rules or the ASX;*
- (d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX; and*
- (e) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.*

*For the purposes of this clause 20, **Dispose** has the meaning given to it in the Listing Rules and **Disposal** has the corresponding meaning.'*

Additional information

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

Resolution 5 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 Chair intends to exercise all available proxies in favour of Resolution 5.

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EXPLANATORY MEMORANDUM**

GLOSSARY

Additional Placement Capacity means the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.

Annual Report means the Directors' Report, the Annual Financial Report and Auditor's Report thereon, in respect to the financial year ended 30 June 2019.

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

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

Audit Report means the auditor's report on the Financial Report.

Board means Board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that the ASX declares is not a business day.

Chair or Chairman means the person appointed to chair the general meeting of the Company convened by the Notice.

Closely Related Party means:

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

Company or Barra means Barra Resources Limited (ABN 76 093 396 859).

Constitution means the constitution of the Company as at the date of the Meeting.

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

Directors means directors 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 same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

Explanatory Memorandum means this explanatory memorandum attached to the Notice.

Key Management Personnel 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.

Meeting means the annual general meeting of the Company convened under the Notice.

Notice means this notice of meeting.

Option means an option to subscribe for a Share.

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

Resolution means a resolution contained in the Notice.

Restricted Securities has the same meaning as in the Listing Rules.

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

Shareholder or Member means a registered member of the Company.

VWAP means volume weighted average price.

\$ means Australian dollars unless otherwise stated.

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BARRA RESOURCES LIMITED

ACN: 093 396 859

REGISTERED OFFICE:

GROUND FLOOR
6 THELMA STREET
WEST PERTH WA 6005

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

BAR

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson 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, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 9:30am WST on Friday, 1 November 2019 at HLB Mann Judd, Level 4, 130 Stirling Street, Perth Western Australia and at any adjournment of that meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise to Chair to exercise my/our proxy on Resolutions 1 and 3 (except where I/we have indicated a different voting intention in Section B) even though Resolutions 1 and 3 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. ADOPTION OF REMUNERATION REPORT
2. RE-ELECTION OF MR GARY BERRELL AS A DIRECTOR
3. AMENDMENT TO TERMS OF DIRECTOR OPTIONS
4. APPROVAL OF ADDITIONAL PLACEMENT CAPACITY
5. AMENDMENT TO THE CONSTITUTION

For Against Abstain

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 9:30am WST on Wednesday, 30 October 2019.

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My/Our contact details in case of enquiries are:

Name:

Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.



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