



9 April 2009

Dear Shareholder,

The Directors of Barra Resources Limited (**Barra** or the **Company**) are pleased to invite you as a shareholder of Barra (an **Eligible Shareholder**) as at 5 pm WST on Tuesday 14 April 2009 (the **Record Date**) to purchase additional fully paid ordinary shares in Barra (**Barra Shares**) under the terms and the conditions of Barra's Share Purchase Plan (**Share Purchase Plan or SPP**) (a copy of which is attached to this letter).

The Board of the Company has determined to raise additional funds by way of a \$550,000 share placement to sophisticated investors together with the SPP which could raise up to an additional \$1.5 million. These funds would be applied towards exploration work and ongoing pre-feasibility studies at the Company's 50% owned Mt Thirsty Project, exploration of the Company's gold projects and any associated working capital requirements. The planned use of funds is set out in the attached shareholders activity update. The Board believes that existing shareholders would wish to have the opportunity to participate in the SPP component of the current capital raising initiative. **Shareholders will be able to subscribe for up to 86,206 new shares at 5.8 cents each being a total of \$5,000 per shareholder.**

The Directors see many advantages to smaller shareholders of subscribing for shares under the Share Purchase Plan:

1. Small shareholders may 'top up' their holdings to a marketable parcel.
2. **No brokerage or transaction costs** are payable on shares purchased under the SPP.
3. **The issue price is at a 20% discount to the average market price calculated over the last 5 days on which sales were recorded on the ASX before 9 April 2009.**

The offer is non-renounceable in that you cannot transfer your right to buy shares under the SPP to another person. However, your participation under the SPP is optional and you may elect not to participate at all.

The Directors of Barra have resolved to cap the maximum that can be raised under the SPP to \$1.5 million (25,862,068 shares).

An Eligible Shareholder may elect to participate by subscribing for one of the following options:

Option A:	17,241 shares	(\$1,000)
Option B:	43,103 shares	(\$2,500)
Option C:	86,206 shares	(\$5,000)

If acceptances for more than 25,862,068 shares are received, the Board of Directors intends to scale-back the maximum amount permitted under each of the Options listed above in reverse order starting with Option C. In these circumstances the Directors intend to reduce the maximum number of shares which shareholders are entitled to under Option C to equal with Option B and then if necessary, Option B and Option A in that order. Barra will return any application monies in relation to unsuccessful applications.

The market price of Barra Shares may rise or fall between now and the date when Barra Shares are allotted in accordance with the Share Purchase Plan. If the market price of Barra Shares falls, the subscription price of the Barra Shares to be allotted pursuant to this offer may no longer be at a discount to the market price.



To take up this offer, your Offer and Acceptance Form and cheque must be received by Barra's share registry in Perth by no later than 5 pm (WST) on **Wednesday, 13 May 2009 (Closing Date)**. You should note, however, that Barra may elect to close the offer at any time.

Alternatively, you can use the Electronic Funds Transfer (EFT) facility as set out on the Offer and Acceptance Form.

**To subscribe for Barra Shares under this offer, you must:**

- Carefully read the Offer and Acceptance Procedures and the Terms and Conditions of the Share Purchase Plan as attached with the enclosed Offer and Acceptance Form.
- Complete the Offer and Acceptance Form specifying the number of Barra Shares you wish to purchase (up to a maximum of 86,206 Barra Shares) and the total subscription price for those shares.

**Share Purchase Plan Ready Reckoner**

Option	No. Shares Applied For	Application Amount
A	17,241	\$1,000
B	43,103	\$2,500
C	86,206 ( <i>Maximum Number</i> )	\$5,000

- Enclose a cheque made payable to **Barra Resources Limited Share Application Account** and crossed **Not Negotiable** for the total subscription price for the Barra Shares specified on the Offer and Acceptance Form, or alternatively, remit application monies via the EFT facility.
- Return the Offer and Acceptance Form together with payment by cheque or EFT receipt in the reply paid envelope so that we receive it no later than the Closing Date:

Security Transfer Registrars Pty Ltd  
PO Box 535  
Applecross WA 6953

by 5 pm (WST) on **Wednesday, 13 May 2009**

Please contact the Company's share registry, Security Transfer Registrars on (08) 9315 2333 if you have any queries in relation to this offer or how to accept it.

Yours faithfully

**GARY BERRELL**  
Chairman

## BARRA SHARE PURCHASE PLAN

### *Offer to buy up to 86,206 Shares in Barra Resources Limited*

Barra Resources Limited ("Barra") is offering shareholders the opportunity to purchase additional shares on the terms and conditions of the Share Purchase Plan set out with this offer and acceptance form.

The price payable under this offer to subscribe for each share is 5.8 cents being at a discount of approximately 20% discount to the average market price calculated over the last 5 days on which sales were recorded on the ASX before 9 April 2009.

The market price of shares in Barra 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 Barra 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.

This offer is non-renounceable (that is, not transferable).

#### **How much can you invest?**

Eligible shareholders can invest amounts as detailed under the Offer and Acceptance Form up to a maximum of \$5,000. The limit applies even if you receive more than one offer in different capacities. For example as a sole and joint holder of shares.

The number of shares which will be issued to each participating shareholder will be calculated by dividing the amount the shareholder chooses to invest by the issue price of 5.8 cents and then rounding any resulting fraction down to the nearest whole number of shares available under the options given in the Offer. In the event that applications are received for an amount in excess of 25,862,068 shares (being \$1,500,000), the Board of Directors may reduce the amount available under each option (starting with the highest first).

The acceptance form allows you to choose one of three specified amounts up to \$5,000.

#### **Who can participate?**

Participation in the Plan is open to all persons registered as holders of fully paid Ordinary Shares of Barra at 5.00pm Perth time Tuesday, 14 April 2009 ("Record Date") whose address in Barra's share register is in Australia or New Zealand. The Board of Barra has determined it is not lawful or practical for shareholders in other jurisdictions to participate in the Plan. Participation is entirely at the option of shareholders and is subject to these terms and conditions.

Offers made under the Plan are not renounceable. This means that shareholders cannot transfer their right to purchase shares under this offer to another person. Shareholders may apply for any one of the following three parcels of Ordinary Shares at A\$0.058 per Ordinary Share:

<b>Option</b>	<b>No of Shares</b>	<b>\$ Amount</b>
A	17,241	\$1,000
B	43,103	\$2,500
C	86,206	\$5,000

#### **How to apply for shares**

1. Carefully read the Terms and Conditions of the plan.
2. On the Offer and Acceptance Form, show the amount you wish to invest by ticking one of the selections in Boxes A to C.
3. Complete the cheque details section.
4. Write down your daytime contact telephone number – just in case we have any questions. **You DO NOT need to sign the Offer and Acceptance Form.**
5. Write out a cheque for the exact amount that you have chosen to invest. Make the cheque payable to **Barra Resources Limited Share Application Account** or use the EFT facility.
6. Return the Offer and Acceptance Form, place your cheque or EFT receipt behind it and put them in the reply paid envelope.
7. Make sure you send your Offer and Acceptance Form and cheque or EFT receipt so that we receive them by 5pm (WST) on Wednesday, 13 May 2009.

By completing the Offer and Acceptance Form and forwarding a cheque or paying by EFT, you agree to be bound by the enclosed terms and conditions (including terms and conditions of the share purchase plan as stated overleaf) and the Constitution of Barra Resources Limited.

# BARRA RESOURCES LIMITED ("BARRA")

## SHARE PURCHASE PLAN Terms and Conditions

### *Purpose*

The purpose of the **Barra Resources Limited** Share Purchase Plan (the **Plan**) is to offer shareholders of **Barra Resources Limited (Barra)** the opportunity to acquire additional fully paid ordinary shares in Barra (**Barra Shares**) to assist with funding exploration work and ongoing pre-feasibility studies at the Company's 50% owned Mt Thirsty Project, exploration of the Company's gold projects and any associated working capital requirements.

### *Plan*

The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is A\$5,000. If a Shareholder is recorded with one or more other persons as the joint holder of a holding of Shares, that joint holding is considered to be a single registered holder for the purposes of this Plan in respect of that holding. If the same joint holders receive more than one offer under the Plan due to multiple identical holdings, the joint holders may only apply for one maximum parcel of Shares. If a trustee or nominee is expressly noted on the register of members as holding Shares on account of another person (a "Beneficiary") the Beneficiary is taken to be the registered holder in regard to those Shares; and any application for the issue of Shares and any issue of Shares to, the trustee or nominee, is taken to be an application or certification by, or an issue to, the Beneficiary. The directors of Barra may also determine in their discretion the minimum amount for participation and the multiple of Barra Shares to be offered under the Plan. Barra may establish a Plan in future years. However, the present intention of the board of Barra is that the Plan will only operate on this occasion.

### *Shareholders eligible to participate*

All persons (**Eligible Shareholders**) registered as holders of Barra Shares as at 5.00pm (WST) on Tuesday, 14 April 2009 may participate in the Plan except those shareholders whose address in Barra's register of members is not in Australia or New Zealand. Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are not renounceable (ie: eligible shareholders may not transfer their rights to any Barra Shares offered under the Plan).

Barra reserves the right to refuse an application if it considers that the applicant is not an Eligible Shareholder or has not otherwise complied with the terms of the Plan. If an application is refused, application monies received will be refunded without interest. If one or more Offer and Acceptance Forms are received from an Eligible Shareholder with a total value in excess of the maximum value available under the Offer, the shareholder will be deemed to have applied for that maximum value and the excess application monies will be refunded without interest.

### *Price of Barra Shares*

The price of Barra shares to be allotted under the Plan has been set at 5.8 cents, a 20% discount to the average market price calculated over the last 5 days on which sales were recorded on the ASX before 9 April 2009.

### *Allotment of Barra Shares*

Barra Shares to be allotted under the Plan will be allotted as soon as reasonably practicable after the closing date specified by the directors of Barra in the Offer. Barra Shares allotted under the Plan will rank equally in all respects with all other fully paid ordinary shares in Barra from the date of allotment.

Shareholding statements will be issued in respect of all Barra Shares allotted under the Plan. Barra will, promptly after allotment of Barra Shares under the Plan, make application for those Barra Shares to be listed for quotation on the official list of ASX.

### *Costs of Participation*

**No brokerage, commission, stamp duty or other transaction costs will be payable by participants in respect of the application for, and allotment of, Barra Shares under the Plan.**

### *Applications and Notices*

At the discretion of the directors of Barra, Barra will send eligible shareholders an Offer, accompanied by Offer and Acceptance Procedures, Terms and Conditions and Acceptance Slip, inviting them to subscribe for Barra Shares under the Plan. Notices and statements to participants may be given by Barra in any manner prescribed by its Constitution.

### *Payment*

All amounts expressed in this Offer are in Australian Dollars. If an Offer and Acceptance Form is not accompanied by a cheque or EFT (Electronic Funds Transfer) for the exact amount Barra reserves the right to return the application form and cheque or allot that number of shares that is rounded down to the nearest whole number option under the Offer and return the balance of monies. No interest will be paid on monies returned. An offer will be taken to have been accepted by an Eligible Shareholder only if the cheque or EFT which accompanies the Offer and Acceptance Form is paid in full on first presentation.

### *Modification and termination of the Plan*

Barra may modify or terminate the Plan at any time. Barra will notify the ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of the ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Barra may allot to any person fewer Barra Shares than the person applied for under the Plan if the allotment of the Barra Shares applied for would contravene any applicable law or the Listing Rules of the ASX. No interest will be paid on monies returned.

### *Dispute resolution*

Barra may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan whether generally or in relation to any participant, application, or Barra Shares and the decision of Barra will be conclusive and binding on all shareholders and other persons to whom that determination relates.

**Barra reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Barra under these conditions may be exercised by the directors of Barra or any delegate of the directors of Barra.**



# SHARE PURCHASE PLAN APPLICATION FORM

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

## BARRA RESOURCES LIMITED

ABN 86 093 396 859

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### CERTIFICATION

By completing and returning this Application Form, with my cheque(s) or EFT receipt for the application monies, I/we hereby:

1. Acknowledge that I/we have read and understood the Terms of BARRA RESOURCES LIMITED Share Purchase Plan;
2. Agree to be bound by the terms of the BARRA RESOURCES LIMITED Share Purchase Plan and the Company's Constitution.
3. Agree to accept any lesser number of new shares than the number of new shares applied for; and
4. Certify that the amount of shares subscribed for by me/us pursuant to the BARRA RESOURCES LIMITED Share Purchase Plan (being a maximum of \$5000 worth of shares) does not exceed \$5000, taking into account the shares the subject of this application and any other shares applied for by me/us under the SPP or any similar arrangement within the 12 months prior to this application including joint and other beneficial interests.

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### INSTRUCTIONS TO COMPLETE APPLICATION FORM

- **Completion of Application Form**

If the amount owed is a different amount to the actual total of cheques or EFT deposit included with this Application Form, the Company reserves the right to either reject your application or accept it in respect of the lesser of your stated subscription amount or your actual payment total. Receipts for payment will not be issued.

Please complete all relevant sections of the Application Form using BLOCK LETTERS.

Please see the instructions below under the heading "Payment" in relation to how you may pay for the new shares subscribed for.

- **How to Lodge your Application**

The completed Application Form, together with your payment for the full amount of new shares applied for; should be enclosed and returned in the reply paid envelope provided with this Application. **This must be received by Security Transfer Registrars or the Company by 5.00pm WST on 13 May 2009**

The Company's Share Registry is located at the addresses set out below:

**Security Transfer Registrars Pty Ltd**  
PO Box 535  
Applecross WA 6953

**Security Transfer Registrars Pty Ltd**  
770 Canning Highway  
Applecross WA 6153

- **Payment**

You may pay for the new shares applied for by cheque or Electronic Funds Transfer (EFT). Cash payment will not be accepted.

Payments must be made in Australian Currency and cheque(s) must be drawn on an Australian Bank.

**Cheque(s) must be made payable to "BARRA RESOURCES LIMITED SHARE APPLICATION ACCOUNT" and crossed "not negotiable"**. Cheque(s) not properly drawn may be rejected. Cheques will generally be deposited on the day of receipt. If cheque(s) are dishonoured the application will be rejected.

#### PAYMENT BY ELECTRONIC FUNDS TRANSFER (EFT)

Shareholders may elect to pay for their entitlement via (EFT) and deposit funds directly to the following bank account:

**ACCOUNT NAME: Barra Resources Limited Share Application Account**

**BSB NO:      ACCOUNT NUMBER:**

**EFT REFERENCE NUMBER:** (as provided on the front of this form).

This reference number must be quoted at the point of EFT in order for your funds to be allocated correctly.

- **Limitation on Participation**

The maximum subscription limitation of \$5000 will apply even if an Eligible Shareholder has received more than one Application Form (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under separate share accounts).