
BARRA RESOURCES LIMITED
ABN 76 093 396 859

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

**WEDNESDAY, 18 NOVEMBER 2009
COMMENCING AT 10.00 AM (WST)**

AT

**PARK BUSINESS CENTRE
45 VENTNOR AVENUE
WEST PERTH,
WESTERN AUSTRALIA**

BARRA RESOURCES LIMITED

CORPORATE DIRECTORY

DIRECTORS

Non-Executive Chairman

Gary John Berrell BEc (Hons)

Managing Director

Dean Barry Goodwin
BAppSc (Geology), MAIG

Non Executive Director and Company Secretary

Grant Jonathan Mooney CA

REGISTERED OFFICE

Level 3, Mercury House
33 Richardson Street
West Perth WA 6005

Phone: (08) 9481 3911

Fax: (08) 9481 3955

Website: www.barraresources.com.au

SOLICITORS TO THE COMPANY

DLA Phillips Fox
44 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Phone: (08) 9315 2333

Fax: (08) 9315 2233

STOCK EXCHANGE

The Company's securities are quoted on the Official List of
Australian Securities Exchange Limited
2 The Esplanade
Perth WA 6000

ASX CODE: BAR, BARO

**BARRA RESOURCES LIMITED
NOTICE OF MEETING**

Notice is hereby given that the Annual General Meeting of Barra Resources Limited ("Barra" or "the Company") will be held at Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Wednesday, 18 November 2009 at 10:00am WST.

AGENDA

FINANCIAL REPORT

To table the Annual Financial Report of the Company for the year ended 30 June 2009 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 for the year ended 30 June 2009 be adopted."

Note – the vote on this resolution is advisory only and does not bind the Directors of the Company.

RESOLUTION 2 - RE-ELECTION OF MR GRANT MOONEY AS A DIRECTOR

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

"That Mr Grant Mooney having retired in accordance with the Constitution of the Company and having consented to act, be, and is hereby re-elected as a director."

RESOLUTION 3 - RATIFICATION OF PREVIOUS SHARE ISSUE

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

"For the purposes of Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 9,482,759 fully paid ordinary shares on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement

The Company will disregard any votes cast on this resolution by any person that participated in the issue and any associate of those persons. However, the Company need not disregard a vote 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 a person chairing 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 4 - RATIFICATION OF PREVIOUS SHARE ISSUE

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

"For the purposes of Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 28,000,000 fully paid ordinary shares on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement

The Company will disregard any votes cast on this resolution by any person that participated in the issue and any associate of those persons. However, the Company need not disregard a vote 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 a person chairing 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 - ISSUE OF SHARES

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

"That for the purposes of Listing Rule 7.1, and section 611 of the Corporations Act and for all other purposes, the Shareholders authorise the Directors to allot and issue 5,187,472 fully paid ordinary shares to FMR Investments Pty Ltd ("FMR") irrespective of whether entitlement to shares in the Company of FMR may have changed between the date of the notice calling this meeting and the date of this meeting, as consideration for the outstanding debt owed by the Company to FMR, on the terms and conditions set out in the Explanatory Memorandum."

- *The shares issued will rank pari passu in all respects with the Company's existing fully paid ordinary shares.*
- *The shares are to be issued within 7 days of the date of this meeting.*

**BARRA RESOURCES LIMITED
NOTICE OF MEETING**

Voting exclusion statement

The Company will disregard any votes cast on this resolution by FMR Investments Pty Ltd or any of its associates. However, the Company need not disregard a vote 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 a person chairing 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 6 - APPOINTMENT OF NEW AUDITOR

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

“That in accordance with section 327(5) of the Corporations Act and for all other purposes, HLB Mann Judd are appointed auditor of the Company effective from the date of this meeting and that they be paid the usual and proper professional fees as remuneration.”

Short Explanation

In accordance with section 329(5) of the Corporations Act, the Company's auditors at the date of this notice of meeting, Deloitte Touche Tohmatsu have given notice of resignation as auditor that takes effect under section 329(8) of the Corporations Act on the date of this meeting. The Company is required to appoint a new auditor under section 327(5) of the Corporations Act to fill the vacancy in the office of auditor, and may do so at the meeting.

SNAPSHOT DATE

The Directors have determined that for the purposes of regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the persons eligible to attend and vote at the meeting are those persons who are Shareholders at 10.00am (WST) 16 November 2009.

BODIES CORPORATE

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

PROXIES

In accordance with Section 249L of the Corporations Act 2001, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with Section 250BA of the Corporations Act 2001 the Company specifies the following for the purposes of receipt of proxy appointments:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Facsimile Number: (08) 9315 2233

Each shareholder entitled to vote at the General Meeting has the right to appoint a proxy to vote on each particular resolution. The shareholder may specify the way in which the appointed proxy is to vote on a particular resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

For the purposes of Section 1074E of the Corporations Act 2001 the Company determines that members holding ordinary shares at 10:00am (WST), 16 November 2009 will be entitled to attend and vote at the Annual General Meeting.

INCORPORATION OF EXPLANATORY MEMORANDUM

The Explanatory Memorandum to Shareholders attached to this Notice of General Meeting, is hereby incorporated into and forms part of this Notice of Annual General Meeting.

By order of the Board



Grant J Mooney
Company Secretary
15 October 2009

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.

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

The Remuneration Report which details the Company's policy on the remuneration of non-executive directors and executive directors is set out within the Directors' Report of the Company's 2009 Annual Report. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. The vote on the resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act.

RESOLUTION 2 - RE-ELECTION OF MR GRANT MOONEY AS A DIRECTOR

ASX Listing Rule 14.4 and Clause 9.3 of the Company's Constitution require that at an Annual General Meeting one-third of Directors for the time being shall retire from office. This rule does not apply to the managing director. A retiring Director is eligible for re-election.

In accordance with the ASX Listing Rules and the Company's Constitution, Director Grant Mooney retires as a director of the Company and being eligible, offers himself for re-election as a director of the Company.

RESOLUTION 3 - RATIFICATION OF PREVIOUS SHARE ISSUE

Subject to certain exceptions, Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the Company's ordinary securities on issue at the commencement of that period without shareholder approval.

The exception to this rule contained in Listing Rule 7.4 provides an issue made within the 15% limit will be treated as having been made with the approval of Shareholders under Listing Rule 7.1 if subsequently approved by Shareholders, thereby "refreshing" the Company's ability to issue shares within the 15% limit, and restoring the Company's ability to make placements within that limit (if that is thought desirable) without the need for Shareholder approval. While the Shares described in this Resolution 3 were issued within the 15% limit, the Company seeks Shareholder ratification of the issue of those Shares for the purpose of Listing Rule 7.4, so that the Company's ability to issue securities will be "refreshed" and it will have flexibility to issue further securities should the need or opportunity arise.

In accordance with the requirements of Listing Rule 7.3, the following information is provided to Shareholders to allow them to assess the issue of the Shares the subject of this Resolution:

- 9,482,759 Shares were issued and allotted to clients of Patersons Securities Limited on 16 April 2009;
- the Shares were issued at an issue price of \$0.058 each;
- the Shares issued are fully paid ordinary shares that rank equally in all respects with existing Shares;
- A total of \$550,000 before costs was raised from the issue for the purposes of funding exploration activities and for general working capital purposes.
- None of the participants in the placement were considered a related party of the Company.

RESOLUTION 4 - RATIFICATION OF PREVIOUS SHARE ISSUE

Subject to certain exceptions, Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the company's ordinary securities on issue at the commencement of that period without shareholder approval.

The exception to this rule contained in Listing Rule 7.4 provides an issue made within the 15% limit will be treated as having been made with the approval of Shareholders under Listing Rule 7.1 if subsequently approved by Shareholders, thereby "refreshing" the Company's ability to issue shares within the 15% limit, and restoring the Company's ability to make placements within that limit (if that is thought desirable) without the need for Shareholder approval. While the Shares described in this Resolution 4 were issued within the 15% limit, the Company seeks Shareholder ratification of the issue of those Shares for the purpose of Listing Rule 7.4, so that the Company's ability to issue securities will be "refreshed" and it will have flexibility to issue further securities should the need or opportunity arise.

In accordance with the requirements of Listing Rule 7.3, the following information is provided to Shareholders to allow them to assess the issue of the Shares the subject of this Resolution:

- 28,000,000 Shares were issued and allotted to clients of Patersons Securities Limited on 3 September 2009;
- the Shares were issued at an issue price of \$0.125 each;
- the Shares issued are fully paid ordinary shares that rank equally in all respects with existing Shares;

- A total of \$3,500,000 before costs was raised from the issue for the purposes of funding exploration activities and for general working capital purposes.
- None of the participants in the placement were considered a related party of the Company.

RESOLUTION 5 – ISSUE OF SHARES

Overview

In June 2007, the Company's mining contractor at the Burbanks Gold Mine, Barmenco Limited ("Barmenco") assigned amounts owing to it from the Company for contract services provided at the Burbanks underground gold mine to FMR Investments Pty Ltd ("FMR").

While the vast portion of amounts outstanding from the Company's mining operations at Burbanks were repaid by cash or shares during 2007 and 2008, there remained a total of \$648,434 owing to FMR.

The debt of \$648,434 relates to remaining amounts owing to FMR from mining activities undertaken during the period of mining at Burbanks including costs associated with demobilisation, rehabilitation and outstanding GST on invoices.

Information requirements

The following sets out a brief summary of section 611 of the Corporations Act and Listing Rule 7. The information that follows that summary is provided in accordance with Listing Rule 7, section 611 of the Corporations Act and ASIC Policy Statement 74.

(a) Section 611 of the Corporations Act

Except as provided by Chapter 6 of the Corporations Act, section 606(1) of the Corporations Act prohibits a person from acquiring shares in a Company if, after the acquisition, that person's voting power in the Company increases above 20%.

Section 611, item 7 of the Corporations Act provides that section 606(1) of the Corporations Act does not apply to an acquisition of shares in the Company by virtue of an allotment or agreement if the Company has agreed to the allotment or agreement by resolution passed at a general meeting at which no votes are cast in relation to the resolution by the person to whom the shares are to be allotted or by an associate of that person. There are also specific disclosure requirements under section 611, item 7 which are set out below.

(b) Listing Rule 7.1

Listing Rule 7.1 prohibits the Company from issuing shares that would amount to more than 15% of its existing share capital without the approval of the Shareholders.

Identity of FMR

FMR (formerly Barmenco Investments Pty Ltd) was formerly an associate of Barmenco until Barmenco's sale in June 2007. FMR received an assignment of the outstanding amounts payable at Burbanks from the former contractor to the Company's Burbanks Underground Gold Mine, Barmenco. FMR is currently the Company's major shareholder with a relevant interest in 67,086,291 shares representing 21.7% of the Company's issued capital.

Persons who are Associates of FMR

Mr Peter Bartlett is an associate of FMR.

Change in holding and increase in voting power

If Resolution 5 is approved by members, the Company will issue an additional 5,187,472 shares (**Consideration Shares**). This will increase the total number of shares on issue to 314,914,550. The effect on the Company's capital structure is summarised in the table set out below:

Share Capital	No of Shares	%
Existing shares on issue	309,727,078	98.4
Issue of shares pursuant to Resolution 5	5,187,472	1.6*
Total shares on issue	314,914,550	100.00

* FMR currently holds 67,086,291 shares (21.7%) in the Company. As a result of Resolution 5 being passed, FMR's total holding would increase to 72,273,763 shares (representing 23% of the Company's issued capital). In addition, FMR also holds 4 million unlisted options. If these were to be exercised FMR's total holding would increase to 76,273,763 (representing 23.9% of the Company's issued capital).

RESOLUTION 5 – ISSUE OF SHARES (cont)

Financial information

The impact of the issue of shares to FMR on the Statement of Financial Position of the Company as at 30 June 2009 is summarised as follows.

PROFORMA STATEMENT OF FINANCIAL POSITION

	Note	June 30 2009 (Audited) \$	Pro forma (Unaudited) \$
CURRENT ASSETS			
Cash and cash equivalents	1	1,776,813	5,276,813
Trade and other receivables		205,441	205,441
Other		9,415	9,415
TOTAL CURRENT ASSETS		1,991,669	5,491,669
NON CURRENT ASSETS			
Financial assets		694,592	694,592
Property, plant and equipment		185,939	185,939
Exploration, evaluation and development expenditure		14,279,089	14,279,089
TOTAL NON CURRENT ASSETS		15,159,620	15,159,620
TOTAL ASSETS		17,151,289	20,651,289
CURRENT LIABILITIES			
Trade and other payables		311,364	311,364
Borrowings	2	319,244	319,244
Provisions		148,479	148,479
TOTAL CURRENT LIABILITIES		779,087	779,087
NON CURRENT LIABILITIES			
Borrowings		700,687	52,253
TOTAL NON CURRENT LIABILITIES		700,687	52,253
TOTAL LIABILITIES		1,479,774	831,340
NET ASSETS		15,671,515	19,819,949
EQUITY			
Issued capital	3	43,263,344	47,411,778
Reserves		2,104,275	2,104,275
Accumulated losses		(29,696,104)	(29,696,104)
TOTAL EQUITY		15,671,515	19,819,949

RESOLUTION 5 – ISSUE OF SHARES (cont)

**NOTES TO UNAUDITED PROFORMA STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2009**

Note 1. Cash	Proforma 2009 \$
Cash as at 30 June 2009	1,776,813
Share placement 3 September 2009	3,500,000
Closing balance (proforma)	5,276,813

Note 2. Borrowings	Proforma 2009 \$
Loan – FMR	648,434
Other payables	52,253
Balance at 30 June 2009 (audited)	700,687
less: share issue to FMR subject of Resolution 5	(648,434)
Closing Balance (proforma)	52,253

Note 3. Contributed Equity	No. Shares	Proforma 2009 \$
Balance at 30 June 2009	281,727,078	43,263,344
Issue of 28,000,000 shares at 12.5 cents each on 3 September 2009	28,000,000	3,500,000
Shares issued pursuant to the Resolution 5	5,187,472	648,434
Closing Balance (proforma)	314,914,550	47,411,778

Director's interests

None of the directors have an interest in FMR.

Persons who will acquire relevant interests

FMR and the entities that control it are the only parties who will acquire a relevant interest in shares in the Company if Resolution 5 is passed.

Intentions as to the future

FMR has **no** present intention to do any of the following after the issue of the Consideration Shares:

- change the business of the Company;
- inject further capital into the Company;
- transfer any property between the Company and themselves; or
- redeploy the fixed assets of the Company.

FMR has no intention of changing the current financial and dividend policies of the Company.

If new investment opportunities arise or become available to the Company, FMR may, if it desires to do so, participate in any rights issue or other capital raising programme undertaken by the Company subject to obtaining any regulatory approvals that may be required.

Terms of the Proposed Allotment

The Shares to be allotted to FMR in accordance with this Resolution will rank equally with the ordinary share capital of the Company.

Anticipated Date of Allotment

Subject to the approval of shareholders of Resolution 5, it is intended to allot to FMR the Shares referred to in Resolution 5 within 7 Business Days of the Meeting.

Advantages and Disadvantages

The Board considers that the advantages to members as a result of the extinguishment of the debt owing to FMR are:

- (a) the share issue will reduce the Company's debt, thereby improving its liquidity ratios;
- (b) the share issue will preserve the Company's cash for exploration activities;
- (c) the share issue may reduce the need for additional capital to be raised to extinguish the debt.

The Board have identified the possible disadvantage or risk associated with the extinguishment of the debt being that the interests of members will be diluted by the issue of 5,187,472 shares. The possible disadvantage is the dilution of ordinary shareholders by the issue of 5,187,472 shares representing 1.6% of the Company's issued capital.

Director's Recommendation

The Directors are unanimously of the view that the advantages outweigh the disadvantages and that the extinguishment of the debt is in the best interests of members for the reasons set out above. They recommend that Shareholders vote in favour of Resolution 5 required to effect the extinguishment of the debt.

RESOLUTION 6 – CHANGE OF AUDITORS

In accordance with section 329(5) of the Corporations Act, the Company's auditors at the date of this notice of meeting, Deloitte Touche Tohmatsu have given notice of resignation as auditor that takes effect under section 329(8) of the Corporations Act on the date of this meeting. The Company is required to appoint a new auditor under section 327(5) of the Corporations Act to fill the vacancy in the office of auditor, and may do so at the meeting.

The Company undertook a tender process to obtain a competitive quote for professional fees charged by its auditors. After receiving and considering a number of tenders from appropriately qualified audit firms, the Board determined the successful tenderer was HLB Mann Judd.

Under section 329(5) of the Corporations Act, the Company's existing auditors gave notice of resignation to the Company which, subject to approval by ASIC, is to become effective under section 329(8) of the Corporations Act on the date of the meeting.

Under section 327(5) of the Corporations Act, where there is a vacancy in the office of auditor, the Company at general meeting may appoint a new firm as auditor. Resolution 6 proposes the appointment of the New Auditor to fill that vacancy.

Directors Recommendation:

All of the Directors recommend that the New Auditor be appointed the auditor of the Company as in the Director's view the New Auditor's tender was the most appropriate for the Company given the nature and scale of its business and activities.

Glossary

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

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

Directors means directors of the Company.

Explanatory Memorandum means this explanatory memorandum.

FMR means FMR Investments Pty Ltd (ACN 009 411 439) (formerly Barmenco Investments Pty Ltd)

Listing Rules means the Listing Rules of ASX Limited (ACN 008 624 691).

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

Shareholder or **Member** means a registered member of the Company.

8 October 2009

The Independent Directors
Barra Resources Limited
Level 3, 33 Richardson St.
WEST PERTH WA 6005

Dear Sirs

INDEPENDENT EXPERT'S REPORT

1 INTRODUCTION AND SUMMARY OF OPINION

- 1.1 You have requested PKF Corporate Advisory Services (WA) Pty Ltd ("**PKFCA**") to prepare an Independent Expert's Report ("**IER**" or "**Report**") to assist non-associated shareholders of Barra Resources Limited ("**Barra**" or "**the Company**") in voting on the proposed transaction as contemplated by Resolution 5 of the notice of Annual General Meeting ("**AGM**") scheduled to be held on or around 18 November 2009.
- 1.2 Under the proposed transaction, Barra is seeking shareholders' approval for the issue of 5,187,472 fully paid ordinary shares at a deemed issue price of \$0.125 per share, to FMR Investments Pty Ltd ("**FMR**") as consideration for the balance of outstanding debt owing to FMR ("**the Transaction**").
- 1.3 This IER is required pursuant to Section 611 (Item 7) of the Corporations Act which deals with the approval of an allotment of shares otherwise prohibited by Section 606 of the Corporations Act. Section 606 prohibits a person from acquiring a relevant interest in the issued voting shares if the persons voting power in the company exceeds or will exceed 20%.
- 1.4 Shareholders' approval is being sought by Barra for the Transaction, as a result of FMR's interest in Barra as at the date of Transaction exceeding 20%. Approval is conducted by way of a resolution passed at the Company's AGM at which no votes are cast by persons associated with the Transaction.
- 1.5 We understand that the Report will be distributed to Barra shareholders together with the Notice of AGM ("**NOM**") and Explanatory Memorandum ("**EM**") setting out the details of the Transaction in order to assist non-associated shareholders in voting at the AGM of Barra scheduled for on or around 18 November 2009.
- 1.6 All amounts referred to are in Australian dollars unless otherwise indicated.

Summary of Opinion

- 1.7 We have considered the terms of the Transaction as detailed in the NOM and EM and conclude that the Transaction is 'fair' and 'reasonable' to the non-shareholders of Barra.

PKF Perth is a member of the PKF International Limited network of legally independent member firms. PKF Perth is also a member of PKF Australia Limited, a national network of legally independent firms each trading as PKF. PKF Perth does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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Assessment of Fairness

- 1.8 In our opinion, the Transaction is 'fair' and 'reasonable' as the value of the consideration received in the form of the debt to be extinguished is equal to the value of the securities to be offered under the Transaction.

Assessment of Reasonableness

- 1.9 The Australian Securities and Investment Commission ("ASIC") Regulatory Guide 111 "Content of Expert Reports" ("RG 111") states, as a criteria to analyse transactions where a person increases their interest in a company from above 20% to below 90%, that an offer is 'reasonable' if it is fair.
- 1.10 In accordance with RG 111, the Transaction is 'reasonable' because it is 'fair'. In addition, the Transaction is 'reasonable' as it is supported by other considerations and additional reasons for the shareholders to vote in favour of the Transaction detailed in Section 9 below.

Other Considerations

- 1.11 The Transaction would result in a dilution to non-associated shareholders of 1.2%.
- 1.12 Under the Transaction, FMR's voting interest in Barra will increase from 21.7% to 22.9% (22.1% on a fully diluted basis). Therefore, we have determined that there is no material change in the level of control held by FMR post Transaction.
- 1.13 The Company may not have the ability to repay the debt in cash should the Transaction not be approved by shareholders. This may then require the Company to attempt a further capital raising in the near future, the outcome of which at the date of this Report would be uncertain.
- 1.14 The conversion price of the Transaction is equal to the price of a recent placement.
- 1.15 Interest on the loan has not been paid or accrued to date therefore the consideration payable by Barra represents an implied discount to the actual fair value of the consideration had the outstanding debt accrued interest.

Purpose of the Report

- 1.16 This Report has been prepared solely for the purpose of assisting the non-associated shareholders of Barra in considering whether to approve the Transaction proposed by the Directors of Barra. This Report has not been prepared to provide information to parties considering the purchase or sale of any equity or other security in Barra. Accordingly, we do not assume any responsibility or liability for any losses suffered as a result of the use of this Report contrary to the provisions of this paragraph.
- 1.17 This Report will accompany the NOM and EM, which will be distributed to shareholders of Barra to assist non-associated shareholders in voting at the AGM of Barra which is scheduled for on or around 18 November 2009.

Our Approach and Basis of Assessment

- 1.18 Although the expression "fair and reasonable" is also not defined under the Corporations Act, guidance is provided by ASIC Regulatory Guides which establish certain guidelines in respect of independent expert's reports required under the Corporations Act. The ASIC Regulatory Guide 111 "Content of Expert Reports" (as previously defined "RG 111") establishes certain guidelines in respect of the content of expert reports prepared for transactions under Chapters 5, 6 and 6A of the Act, whether the reports are required by the Act or are commissioned voluntarily.

- 1.19 RG 111 includes guidance prepared for the purposes of Section 611 of the Corporations Act and comments on other control transactions where an issue of shares by a company is otherwise prohibited under Section 606 of the Corporations Act may be approved under item 7 of Section 611 of the Corporations Act and the effect on the company's shareholding is comparable to a takeover bid. In these circumstances, ASIC expects the form of analysis to be undertaken as if it was a takeover bid under Chapter 6 of the Corporations Act.
- 1.20 In this circumstance, the Transaction is proposed to affect an increase in the shareholding of FMR from above 20% to below 90%, through the issue of shares in Barra. Accordingly, our approach to the analysis of the terms of the Transaction is to consider the meaning of "fair and reasonable" in the context of a takeover bid.
- 1.21 We also considered Regulatory Guide 112 "Independence of Experts" ("RG 112") and Regulatory Guide 74 "Acquisitions Agreed to by Shareholders" ("RG 74") as a guide to preparing our IER as these regulatory guides also set out matters to be considered in independent expert's reports to shareholders.
- 1.22 The regulatory guides reflect ASIC's underlying philosophy that the premium for control of a company be shared by all members of that company. This and other matters have been taken into account in considering the fairness and reasonableness of the terms of the Transaction.
- 1.23 For the purpose of our opinion, the term "fair market value" is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser and a knowledgeable, willing, but not anxious vendor, acting at arm's length.
- 1.24 In evaluating the fairness of the Transaction, we have compared the value of the consideration received in the form of the value of debt to be extinguished with our assessment of the fair market value of the consideration to be paid by Barra shareholders under the Transaction. As a supplementary analysis, we also considered the effect of the transaction to the value of Barra's securities.
- 1.25 In evaluating the reasonableness of the Transaction, we have considered other significant factors that are relevant to the decision by the Company's shareholders.

Reliance on Information

- 1.26 This Report is based upon financial and other information provided by Barra. PKFCA has considered and relied upon this information. PKFCA believes the information provided to be reliable, complete and not misleading, and has no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Transaction is fair and reasonable.
- 1.27 PKFCA does not warrant that its inquiries have identified or verified all of the matters which an audit, extensive examination or full scope "due diligence" investigation might disclose. Preparation of this Report does not imply that PKFCA has audited or in any way verified the financial accounts or other records of Barra.
- 1.28 It is understood that the accounting information of Barra provided to PKFCA was prepared in accordance with generally accepted accounting principles, Australian Accounting Standards and, except where noted, prepared in a manner consistent with the method of accounting used by Barra in previous accounting periods, including the adoption of International Financial Reporting Standards ("IFRS").
- 1.29 An important part of the information used in forming an opinion of the kind expressed in this Report is the opinion, judgement and representations of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

- 1.30 Barra has agreed to indemnify PKFCA, PKF WA Partnership, and the directors, partners and employees of PKFCA, PKF WA Partnership and any related entity against any claim arising out of misstatements or omissions in any material supplied by the Company, its subsidiaries, its directors or employees, on which PKFCA has relied for the purposes of this Report.

Current Market Conditions

- 1.31 Our opinion is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time.

Individual Circumstances

- 1.32 PKFCA has not considered the effects of the Transaction on the particular circumstances of individual shareholders. Some individual shareholders may place a different emphasis on various aspects of the Transaction from that adopted in our Report. Accordingly, individuals may reach different conclusions on whether or not the Transaction is fair and reasonable. Non-associated shareholders should consider the opinion of PKFCA in the context of their own circumstances and preferences.
- 1.33 This Report has been prepared and included in the NOM to provide shareholders with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances, having regard to their objectives, financial situation or needs. Shareholders who are in doubt should consult their own professional adviser.
- 1.34 PKFCA holds an Australian Financial Services Licence. As a holder of an Australian Financial Services Licence we are required to provide a Financial Services Guide in situations where we may be taken as providing financial product advice to retail clients. A copy of the PKFCA Financial Services Guide is set out in Appendix 2 of this Report.

Scope

- 1.35 This Report has been prepared solely for the purpose of assisting non-associated shareholders of Barra in voting on the Transaction. This Report has not been prepared to provide information to parties considering the purchase or sale of any equity or other security in Barra. Accordingly we do not assume any responsibility or liability for any losses suffered as a result of the use of this Report contrary to the provisions of this paragraph.

2 TRANSACTION DETAILS

- 2.1 In June 2007, Barra's mining contractor at the Burbank Gold Mine, Barmenco Limited ("**Barmenco**") assigned amounts owing to them for contract services provided at the Burbanks underground gold mine to FMR.
- 2.2 We understand the majority of outstanding amounts were repaid during 2007 and 2008. However, as at the date of this Report, there remains a total of \$648,434 owing to FMR which is the subject of Resolution 5 of the Notice of AGM.
- 2.3 Pursuant to the Transaction, Barra seeks shareholders' approval for the issue of an additional 5,187,472 fully paid ordinary shares at a deemed price of \$0.125 as consideration for the settlement of the remaining \$648,434 debt.
- 2.4 The issue of shares to FMR will take their holding in Barra, including associated holdings, from a pre-Transaction interest of 21.7% to a post-Transaction interest of 22.9%, therefore requiring shareholder's approval under s611 of the Corporations Act.

3 BARRA

History and Background

- 3.1 Barra is a mineral exploration company listed on the Australia Securities Exchange (“**ASX**”) focused on the exploration and development of gold, nickel and cobalt projects.
- 3.2 Barra currently operates the following projects.

Mt Thirsty

- 3.3 Barra holds a 50% interest in the project with the remaining 50% interest held by Meteore Metals Limited (“**Meteore**”), a 100% owned subsidiary of ASX listed company Fission Energy Limited. The project is located 20 kilometres (“**kms**”) north-northwest of Norseman.
- 3.4 The June 2009 Quarterly Activity Report released by Barra noted that independent geologist Golder Associates is soon due to undertake a Joint Ore Reserves Committee (“**JORC**”) guidelines compliant resource update.
- 3.5 The Company reports that Mt Thirsty contains estimated JORC Inferred Resource of 14.8 million tonnes at 0.14% cobalt, 0.59% nickel and 0.99% manganese, and a JORC Indicated Resource of 14.23 million tonnes at 0.11% cobalt, 0.52% nickel and 0.77%.
- 3.6 Barra has engaged Independent Metallurgical Operations Pty Ltd (“**IMO**”) during the quarter to review the previous metallurgical test work and evaluate a program to facilitate timely preparation of a feasibility study. We understand that this work is not as yet completed.

Burbanks

- 3.7 Barra holds a 100% interest in the Burbanks project which is located 9 kms southeast of Coolgardie consisting of Mining Lease M15/161 totalling 3 kms² and covering over 5 kms of strike extent of the Burbanks shear.
- 3.8 In February 2008 the Company temporarily ceased production at the Burbank Gold Mine for further exploration and drilling works on the area.
- 3.9 The June 2009 Quarterly Activity Report released by Barra noted that the Company has recommenced mining operations at Burbank under a new tribute mining and profit-sharing arrangement with Mulgabbie Mining Pty Ltd (“**Mulgabbie**”).
- 3.10 Under the new tribute agreement Mulgabbie will undertake development, stoping, transportation and milling of the ore at its own costs with profits shared 50 / 50 between Barra and Mulgabbie. Initially Mulgabbie will take an 80% share in profits for the first 1,000 tonnes of ore mined and treated.
- 3.11 The Company reports that Burbanks has a current JORC Inferred Resource of 141,000 tonnes at 2.29 grams per tonne (“**g/t**”) gold for 13,240 ounces and a JORC Indicated Resource of 250,000 tonnes at 3.24g/t of gold for 27,570 ounces at 1.0g/t lower gold grade cut-off.

Phillips Find

- 3.12 Barra holds a 100% interest in the project which is located 50 kms northwest of Kalgoorlie and 25 kms northwest of the Kundana Mining Centre. The area contains the Phillips Find Mining Centre where 40,000 ounces of gold have previously been mined from the Bacchus Gift and Newhaven open-pits.

- 3.13 The Newminster Prospect, a deposit within Phillips Find, has a current JORC inferred resource of 32,265 tonnes at 2.50 g/t for 2,600 ounces, and a JORC indicated resource of 84,411 tonnes at 4.62 g/t for 12,500 ounces at a 0.8 g/t of lower gold grade cut off.
- 3.14 During the quarter a reconnaissance field program highlighted the significant scope to extend the known gold mineralisation at Tiarna prospect and rock chip sampling returned assays indicative of nickel sulphide mineralisation at Dunns prospect.

Riverina Nickel

- 3.15 Barra holds a 30% interest in the project with the remaining 70% held by Riverina Resources Pty Ltd. The project is located 145 kms north-northwest of Kalgoorlie on granted tenements that cover an area of 17 kms by 7 kms which includes a structural corridor related to the Mt Ida Fault.
- 3.16 Nickel exploration is focussed on Martins Zone. Since the 31 September 2008 quarter no significant work has been carried out on this project and subsequent to this the Riverina Joint Venture are reviewing all options available to advance the project.

Board of Directors – Barra

- 3.17 The board of directors of Barra comprises the following 3 directors (collectively referred to as “the Directors”).
- 3.18 Mr Dean Goodwin – Managing Director - Mr Goodwin holds a Bachelor of Applied Science (Geology) from the University of Western Australia. Previous roles have included 6 years with Western Mining Corporation Limited in the capacity of Exploration Geologist and 5 years in Kalgoorlie working for Resolute Limited as Senior Exploration Geologist. In 1999, Mr Goodwin was appointed Senior Exploration Geologist with LionOre Limited at the Bounty Gold Mine and more recently has been working as an independent contract geologist exploring for nickel sulphides throughout Western Australia.
- 3.19 Mr Gary Berrell – Non-executive Chairman - Mr Berrell has a background in banking and finance specialising in structure finance, corporate activity, treasury advisory, and has worked for Macquarie Bank and Westpac. He has over 20 years experience trading a broad range of financial products including shares, bonds, futures and foreign exchange.
- 3.20 Mr Grant Mooney – Non-executive Director - Mr Mooney is the principal of the Perth based corporate advisory firm Mooney and Partners, specialising in corporate compliance administration to public companies. Mr Mooney is a member of the Institute of Chartered Accountants in Australia and currently acts as Company Secretary to several ASX listed companies across a variety of industries.

4 FMR INVESTMENTS PTY LTD

Background

- 4.1 FMR, formerly Barmenco Investments Pty Ltd, was a former associate of Barmenco until its sale in June 2007. FMR was assigned the outstanding amounts payable to Barmenco for mining works conducted at Burbanks.
- 4.2 FMR is currently Barra’s major shareholder with a total interest of 21.7%.

5 INDUSTRY OVERVIEW – MINING EXPLORATION

- 5.1 Barra operates in the mining exploration industry, with a focus on targeting and developing high grade gold, nickel and cobalt deposits. We have performed a high level review of the outlook for the mining exploration industry for the short to medium term future.
- 5.2 We note the following from the July 2009 IBISWorld report on Mineral Exploration in Australia.
- 5.3 Higher demand, falling stocks prices and rising commodity prices for a range of metals, including iron ore, copper, zinc, lead and uranium, has led to an expansion in spending on exploration of these commodities. Exploration spending for base metals, such as copper, nickel, zinc, lead and cobalt has soared over recent years in response to rising commodity prices.
- 5.4 Western Australia accounts for the majority of exploration spending in Australia, although its share has dropped from its peak level of over 60% in the late 1960's, when spending on gold exploration in the state was very high. A large part of the exploration spending in Western Australia is still represented by the search for gold (approximately one-third of the total).
- 5.5 The mineral exploration industry is a mature industry that has undergone a growth phase. Over long periods, exploration activity tends to match world demand for minerals, which in turn is linked with world economic growth.
- 5.6 Exploration spending soared by nearly 39% in 2007-08 and growth once again focussed on uranium, iron ore, and base metals, as well as on gold. However, falling prices for a range of minerals, combined with difficulty accessing finance due to the global financial crisis has seen mineral exploration spending fall in 2008-09.
- 5.7 The industry has previously faced difficulty in recruiting labour as well as rising costs. Labour shortages are set to ease, at least temporarily, as mining activity slows and wage pressures are also expected to subside. The industry is also expected to benefit from lower fuel costs in the near future, particularly given that mineral exploration occurs in remote locations.
- 5.8 The Chinese economy is expected to continue expanding strongly until 2013-14, although the pace of growth will be slower than over the period 2003-04 to 2008-09. Large price rises for mineral commodities over 2003 to 2008 led to the development and opening of new mines, as well as mine expansions. The resulting substantial increases in supply, combined with weaker demand growth, are expected to lead to further declines in mineral prices. As a result, mineral exploration spending is expected to fall continuously until 2013-14, with the largest decline occurring in 2009-10. However, it should be noted that these declines follow a period of very strong growth.

6 FINANCIAL INFORMATION

- 6.1 Set out below is the income statement and balance sheet of Barra for the years ended 30 June 2007 (“FY07”), 30 June 2008 (“FY08”) and 30 June 2009 (“FY09”) as taken from Barra’s 2008 and 2009 Financial Reports.

Income Statement	Audited 30 June 2007 \$	Audited 30 June 2008 \$	Audited 30 June 2009 \$
Revenue			
Sales	14,553,471	4,964,411	-
Other Income	151,468	323,655	229,824
Total Revenue	14,704,939	5,288,066	229,824
Mine operating expenses	(19,846,547)	(9,229,597)	-
Disposal of exploration projects	-	(3,004,969)	(1,038,915)
Exploration & development costs written off	(8,480)	(92,387)	(1,907,835)
Employee benefits expense	(546,422)	(1,313,256)	(692,835)
Depreciation expense	(38,173)	(100,398)	(139,493)
Consulting expenses	(175,966)	(433,061)	(230,660)
Rental expenses	(53,806)	(98,222)	(164,920)
Administration expenses	(214,887)	(269,026)	(238,101)
Investments written off	-	(1,229,100)	-
Finance expenses	-	(218,926)	(93,952)
Other expenses from ordinary activities	(36,187)	(39,507)	(37,306)
Loss before income tax expense	(6,215,529)	(10,740,383)	(4,314,193)
Income tax expense	-	-	-
Loss for the year after related income tax expense	(6,215,529)	(10,740,383)	(4,314,193)

Source: Audited financial statements of Barra

- 6.2 We comment on the income statements as follows:
- 6.3 Sales revenue and mine operating expenses fell in FY08 and ceased in FY09 due to the termination of underground mining activities at the Burbanks project.
- 6.4 During FY08, the Company disposed of tenements at the Riverina project in exchange for shares and options in Monarch Gold Mining Company Limited (“**Monarch**”). Monarch subsequently went into administration which resulted in a loss on disposal of the tenements and the investment in Monarch being written off.
- 6.5 Disposal of exploration projects in FY08 relates to the loss on sale of the Riverina tenements. In FY09 this expense relates to the sale of a non-core group of tenements at Quinns Hill which were sold to Wild Acre Metals Limited during the period.
- 6.6 Exploration costs written off increased in FY09 due to the write down of Burbanks capitalised expenditure.
- 6.7 Employee benefits expense decreased during FY09 due to termination of several employee contracts.

Balance Sheet	Audited 30 June 2007 \$	Audited 30 June 2008 \$	Audited 30 June 2009 \$
Current Assets			
Cash & cash equivalents	3,811,232	2,054,517	1,776,813
Trade & other receivables	1,086,907	916,406	205,441
Inventory	1,666,756	-	-
Other	27,680	12,803	9,415
Total Current Assets	6,592,575	2,983,726	1,991,669
Non-Current Assets			
Financial Assets	255,092	552,092	694,592
Property, plant and equipment	89,790	351,603	185,939
Exploration, evaluation and development expenditure	16,871,373	16,457,335	14,279,089
Total Non-Current Assets	17,216,255	17,361,030	15,159,620
Total Assets	23,808,830	20,344,756	17,151,289
Current Liabilities			
Trade & other payables	12,704,930	794,216	311,364
Borrowings	-	4,025,862	319,244
Provisions	145,275	240,653	148,479
Total Current Liabilities	12,850,205	5,060,731	779,087
Non-Current Liabilities			
Borrowings	-	82,646	700,687
Total Non-Current Liabilities	12,850,205	82,646	700,687
Total Liabilities	12,850,205	5,143,377	1,479,774
Net Assets	10,958,625	15,201,379	15,671,515
Equity			
Issued Capital	25,360,528	38,678,291	43,263,344
Reserves	239,625	1,904,999	2,104,275
Accumulated losses	(14,641,528)	(25,381,911)	(29,696,104)
Total Equity	10,958,625	15,201,379	15,671,515

Source: Audited financial statements of Barra

- 6.8 We comment on the balance sheets as follows:
- 6.9 Cash levels decreased during FY08 due to exploration spending.
- 6.10 Trade receivables decreased during FY09 due to the suspension of mining operations at the Burbanks Gold Mine.
- 6.11 Inventory levels decreased during FY08 due to the sale of stockpiled ore.

- 6.12 Trade payables decreased during FY09 due to the suspension of mining operations at the Burbanks Gold Mine.
- 6.13 Borrowings increased during FY08 as a result of the deferred payment of amounts owing to FMR for contract services provided by Barmenco at the Burbanks Gold Mine. Approximately \$1.49 million was extinguished prior to 30 June 2008 via the issue of 7,427,500 shares to FMR.
- 6.14 The decrease in Borrowings in FY09 was due to the issue of 27,723,260 shares as consideration to reduce the debt owing to FMR.

Barra Capital Structure and Ownership

- 6.15 As at the date of this Report, Barra has on issue 309,727,078 fully paid ordinary shares. Based on the shareholders' register as at 21 September 2009, the major shareholders of Barra are as follows:

Shareholder name	Number of Shares	% of Issued Capital
FMR Investments Pty Ltd	64,712,790	20.89%
HSBC Custody Nominees (Australia) Limited	15,238,087	4.92%
Lippo Securities Nominees (BVI) Ltd Client Account	8,515,000	2.75%
RBC Dexia Investor Services <MLCI A/c>	7,525,665	2.43%
Citicorp Nominees Pty Limited	7,461,493	2.41%
JP Morgan Nominees Australia Limited	7,074,800	2.28%
ANZ Nominees Limited Cash Income A/c	6,364,213	2.05%
Mr Lafras Luitingh	5,169,990	1.67%
Mr Jeffrey Charles Hogan	3,258,206	1.05%
Stanley & D H Hahn	3,000,000	0.97%
Other shareholders	181,406,834	58.58%
Total	309,727,078	100%

Source: Barra's share register as at 21 September 2009

- 6.16 The major shareholder of Barra is FMR, with a total direct shareholding as at 2 October 2009 of 64,712,790 shares, which equates to a 20.89% interest. FMR's total interest in Barra, including shares held by associates, is 21.7%.
- 6.17 At the date of this Report, Barra has 30,125,000 options on issue comprising 25,625,000 listed options and 4,500,000 unlisted options, as follows:
- 25,625,000 listed options exercisable at \$0.65 on or before 31 December 2010;
 - 1,250,000 unlisted options exercisable at \$0.65 on or before 31 December 2010;
 - 1,250,000 unlisted options exercisable at \$0.80 on or before 31 December 2010;
 - 1,250,000 unlisted options exercisable at \$1.00 on or before 31 December 2010; and
 - 750,000 unlisted options exercisable at \$0.65 on or before 11 December 2012.

6.18 The table below shows the maximum extent of the increase in FMR's voting power in the Company that would result from the Transaction:

	Existing Capital Structure		Post Transaction		
	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Shareholding Fully Diluted
Existing shareholders	242,640,787	78.3%	242,640,787	77.1%	77.9%
FMR and its associates	67,086,291	21.7%	72,273,763	22.9%	22.1%
Total Undiluted Shares	309,727,078	100.00%	314,914,550	100.00%	100.00%
Options held by parties other than FMR	26,125,000		26,125,000		
Options held by FMR and its associates	4,000,000		4,000,000		
Total Diluted Shares	339,852,078	100.00%	345,039,550	100.00%	100.00%

Source: As per company information

6.19 We note that FMR's total shareholding in Barra post-transaction will increase to 72,273,763 shares representing 22.9% of the Company's issued capital on an undiluted basis. This equates to a fully diluted interest post transaction of 22.1% assuming the conversion of all options on issue.

7 VALUATION OF BARRA

Valuation Methodology

- 7.1 In conducting our assessment of the fair market value of Barra shares, we considered the generally accepted valuation methods as set out in Appendix 1.
- 7.2 We used the net realisable value of assets ("NRV") approach as our primary approach on the basis that Barra is primarily involved in mineral exploration, has a track record of negative earnings and holds tenements in areas of interest that are not yet at a stage which would allow a reasonable valuation to be conducted. We note that production at the Burbanks Gold Mine has recently recommenced following cessation of production in February 2007. We also considered the market trading ("Market") approach, which estimates fair market value by relying on prices from recent sales of the comparable assets, or shares in a company as a guide to current value. This approach includes the use of current share prices for companies that are listed on the ASX.
- 7.3 This method is considered appropriate for the following reasons:
- Barra's shares trade in an open and unrestricted market where 'willing' buyers and sellers readily trade the Company's ordinary shares; and
 - the market for the Company's shares is sufficiently active and liquid.

- 7.4 The discounted cash flow method discounts future cash flows of a business asset at a discount rate that reflects the riskiness of those cash flows to present value. The discounted cash flow method has been deemed inappropriate as all of Barra's areas of interest, except the Burbanks Gold Mine, are not at the production stage and there is uncertainty around the future cash flows of these areas of interest. In addition, the development of these assets is likely to require further cash injection. Furthermore, the Burbanks Gold Mine has only recently recommenced production and at this stage, we understand there to be insufficient reasonable evidence regarding the future cash flows of the project to warrant an independent assessment of the DCF value.
- 7.5 Therefore, the preparation of forecast cash flows and the application of the discounted cash flow method is not appropriate at this stage of Barra's operations.
- 7.6 The capitalisation of future maintainable earnings approach was also deemed inappropriate, given Barra is an exploration company with a history of negative earnings.

Application of the NRV approach

- 7.7 Asset based valuations involve the determination of the fair market value of a business based on the net realisable value of the assets used in the business. Whilst commonly used for businesses that are close to liquidation, it can also be used to value the net assets of a company on a going concern basis without taking into account any realisation costs. In which case, adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.
- 7.8 We have determined the NRV of Barra both on a pre and post Transaction basis in order to assess the effect of the Transaction on the per share value for non-associated shareholders. We determined the pre and post Transaction NRV as follows:
- **Pre-Transaction NRV** is based on the net asset position of Barra as at 30 June 2009 (as per the FY09 financial accounts), adjusted for material events that occurred after 30 June 2009. The pre-Transaction NRV has been assessed on a 100% control basis as required under RG 111; and
 - **Post-Transaction NRV** is based on the pre-Transaction NRV adjusted for the effect of the Transaction. The post-Transaction NRV has also been assessed on a 100% control basis, given that we do not believe that the Transaction will increase the level of control that FMR has post transaction and therefore does not require adjustment for minority interest of non-associated shareholders.

	Audited 30 June 2009 \$M	Subsequent events \$M	Pre- Transaction NRV \$M	Transaction adjustment \$M	Post- Transaction NRV \$M
Assets					
Cash	1.77	3.31 ¹	5.08		5.08
Receivables	0.21		0.21		0.21
Capitalised exploration expenditure	14.28		14.28		14.28
Other assets	0.89		0.89		0.89
Total Assets	17.15		20.46		20.46
Liabilities					
Payables	(0.31)		(0.31)		(0.31)
Borrowings	(1.02)		(1.02)	0.65	(0.37)
Other liabilities	(0.15)		(0.15)		(0.15)
Total liabilities	(1.48)		(1.48)		(0.83)
NRV	15.67		18.98		19.63
Shares on issue pre-Transaction			309,727,078		
Shares on issue post-Transaction					314,914,550
NRV per share			\$0.061		\$0.062

Notes:

1. Barra completed a placement of 28 million shares at \$0.125 per share to raise \$3.5 million. Costs of the issue were \$191,933 resulting in net proceeds of \$3,308,067; and
2. Should the Transaction be approved by shareholders, the result will be a decrease in long-term borrowings of \$648,434.

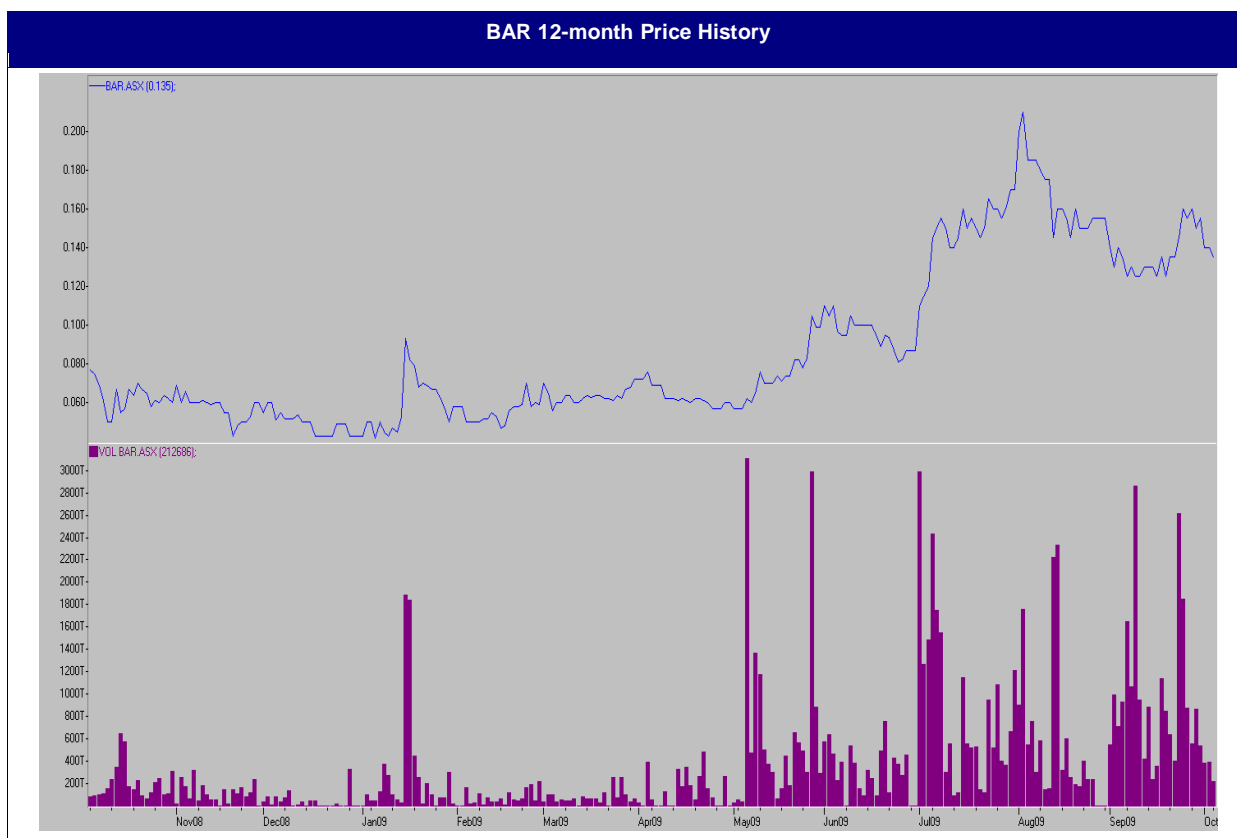
7.9 On this basis, we have assessed the pre-Transaction NRV to be \$18.98 million and the post-Transaction NRV to be \$19.63 million. This equates to a pre-Transaction NRV per share of \$0.061, based on 309,727,078 shares currently on issue, and a post-Transaction NRV per share of \$0.062, based on 314,914,550 shares that will be on issue should the Transaction be approved by shareholders.

Application of the Market approach

- 7.10 In order to assess the reliability of using the traded Market price of Barra's shares as a basis for valuing the Company, we have had regard to:
- the liquidity of Barra shares over the trading period;
 - the 'spread' of ordinary shareholders and the total number of ordinary shares that they hold in the Company, taking into account any trading or other restrictions applicable to the quoted ordinary shares;
 - the level of trading activity of the quoted ordinary shares in the Company (i.e. the volume of trades of the quoted ordinary shares in the Market as a percentage of the total quoted ordinary shares, and the frequency of the trades);

- the number and frequency of 'unusual' and/or 'abnormal' trading that takes place in the Company's quoted ordinary shares;
- the presence of any factors that may indicate that trading in the shares is the result of significant speculative trading; and
- the level of knowledge that the 'willing' buyers and sellers have in respect of the Company and the market in which it operates.

7.11 In this regard, we analysed the 12-month share price and volume history to 2 October 2009 as shown in the following graph.



Source: IRESS

7.12 We note that as at 2 October 2009, Barra had a market capitalisation of approximately \$43.36 million based on the closing share price of \$0.14 and total number of outstanding shares on issue of 309,727,078.

7.13 We note the following major movements in the Company's share price and volume:

- the Company's share price has increased significantly during the past 12 months, from \$0.082 on 3 October 2008 to \$0.14 on 2 October 2009;
- the Company's share price traded steadily at low volumes between \$0.04 and \$0.09 during the period October 2008 to June 2009;
- there was a large increase in volume during the first week of July 2009, resulting in an increase in the Company's share price to approximately \$0.21 at the start of August 2009. We have reviewed the announcements during this time and it appears the increase in share price and volume was as a result of the Company announcing positive drilling results at the Mt Thirsty Nickel project;

- subsequently we noted a fall in the share price during August 2009 and early September 2009 to approximately \$0.12. During which time the Company made a number of material announcements, including:
 - Announced that the first diamond drilling results confirm nickel sulphides at the Mt Thirsty project (announced 13 August 2009);
 - Announced that most recent drilling results at the Phillips Find project yielded positive results (announced 14 August 2009);
 - The shares of the Company were suspended from official quotation pending the release of an announcement relating to a capital raising (announced 31 August 2009); and
 - Announced a placement of 28 million shares at \$0.125 each to raise \$3.5 million. The placement was lead by Patersons Securities Limited and was oversubscribed (announced 31 August 2009).

7.14 We note the following in regards to Barra's market liquidity and trading activity:

- annual turnover of the Company's shares on a one-year rolling period up to 2 October 2009 was approximately 96 million shares, which is equivalent to approximately 31% of the total number of shares on issue as at 2 October 2009;
- the average daily volume of trades was more than 400,000 for the full 12-month period and more than 950,000 in the one month period prior to 2 October 2009. Details of the average daily trading volume of the Company's shares are set out in paragraph 7.19;
- we observed 229 active trading days during the selected 12-month period out of a total of 261 open trading days, indicating that the market is sufficiently active for the Company's shares; and
- the top 10 shareholders of the Company make up approximately 41% of the total number of shares outstanding.

7.15 From the above analysis, we conclude that the volume of trading activity in Barra shares is considered to be strong and the market is sufficiently active and liquid to provide a fair reflection of the Market value of Barra shares, albeit shares are tightly held.

7.16 We also reviewed the following relating to the trading activity of Barra's shares on the ASX:

- the daily high, low and closing share price;
- the daily volume of share trading; and
- the volume weighted average price ("VWAP").

7.17 The following table summarises the VWAP analysis of Barra's share prices between 3 October 2008 and 2 October 2009:

	High	Low	VWAP	Average daily volume
As at 2 October 2009	\$0.1400	\$0.1250	\$0.1269	391,652
1 month to 2 October 2009	\$0.1650	\$0.1250	\$0.1371	959,508
3 months to 2 October 2009	\$0.2200	\$0.1050	\$0.1498	810,937
6 months to 2 October 2009	\$0.2200	\$0.0570	\$0.1273	673,733
12 months to 2 October 2009	\$0.2200	\$0.0410	\$0.1171	419,169

Source: IRESS and PKFCA analysis

- 7.18 The VWAP of the Company's shares incorporates the averaging of share prices based on the volume weighted value of trades during the selected period.
- 7.19 We note the following with respect to the share price of Barra between 3 October 2008 and 2 October 2009:
- Barra's closing share price on 2 October 2009 was \$0.14;
 - Barra's shares traded between \$0.041 and \$0.22 during the 12-month period; and
 - the VWAP increased over the 12-month period from \$0.1171 to \$0.1269.
- 7.20 We analysed the share price on a pre and post Transaction basis in order to observe the effect that the Transaction announcement had on the Market price of Barra's securities. We calculated the 7-day VWAP prior to the announcement date (24 September 2009), which equated to \$0.1359 and the 7-day VWAP post the announcement date, which equated to \$0.1516.
- 7.21 We further considered the recent placement of 28 million shares at \$0.125 each completed on 31 August 2009. The placement was made to selected institutional and sophisticated investors and we understand was oversubscribed. The Transaction price is at the same price at this placement price.
- 7.22 In assessing the current price of Barra's shares using the Market approach, we have considered the following key factors:
- a) Although the Company's shares appear sufficiently liquid, we have observed significant volatility in the price over the past six months. During this time the share price reached a low of \$0.057 and a high of \$0.22. In the past three months the share price has reached a low of \$0.1050 and high of \$0.22;
 - b) The placement completed in August 2009 represents the most recent evidence of a large scale share purchase and given the volatility noted above, appears to represent a reasonable benchmark for the current share price;
 - c) We observed that the share price increased significantly following the announcement of the Transaction and thus we believe the current share price contains an element of speculation; and
 - d) Barra announced to the market 15 January 2009 that the indicative value of the Mt Thirsty project is in the order of approximately \$450 million. However, we understand that this desk top study is indicative in nature and based on a number of material hypothetical assumptions which contain a significant amount of risk. Notwithstanding this, it is likely that the share price since the announcement has built in some element of speculation in regards to the potential value of the Mt Thirsty project announced by the Company.
- 7.23 On this basis, we have assessed the current share price of Barra using the Market approach to be \$0.125, being equal to the placement price.

Control Premium

- 7.24 RG 111 states that an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. Accordingly, in valuing securities in the company, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or 'portfolio' parcel of shares.
- 7.25 Whilst valuations obtained using the Market approach relates to minority interest shareholding value, valuations obtained using the NRV approach relates to a controlling interest shareholder value. As the shares to be issued to FMR pursuant to the Transaction represent a portfolio interest and the level of control/influence that FMR holds will not increase, we do not believe it

to be reasonable to value Barra's shares on a minority interest basis. Therefore, we have not adjusted the value assessed under the Market approach for a premium for control.

Comparison of values under the NRV approach and the Market approach

- 7.26 The equity value of Barra obtained under the NRV approach was assessed to be \$0.061 per share on a pre-Transaction basis and \$0.062 per share on a post-Transaction basis assuming the approval of the Transaction by shareholders.
- 7.27 We compared this value with the equity value of Barra under the Market approach which was assessed to be \$0.125 per share. This is supported by recent historical transaction evidence, being the placement at \$0.125 per share referred to in section 7.22(b).
- 7.28 On the basis of our analysis, we have assessed the value of Barra on a per share basis to be \$0.125 and given the recent historical transaction evidence referred to above in section 7.27, we believe that this evidence provides a current indication of value as opposed to the NRV approach.

8 ASSESSMENT OF FAIRNESS

- 8.1 RG 111 states, as a criteria to analysing the fairness of a Transaction, that an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer.
- 8.2 In our opinion, the Transaction is 'fair' as the value of the consideration received in the form of the debt to be extinguished is equal to the value of the securities to be offered under the Transaction.

9 ASSESSMENT OF REASONABLENESS

- 9.1 RG 111 states as a criteria, to analyse the reasonableness of the Transaction, that an offer is 'reasonable' if it is fair.
- 9.2 In accordance with RG 111, we have assessed the Transaction to be 'reasonable' because it is 'fair'. In addition, the reasonableness of the Transaction is also supported by the following other considerations:

Effect on Non-Associated Shareholder Dilution

- 9.3 The Transaction would result in a maximum dilution of 1.2% to non-associated shareholders from a pre-Transaction shareholding of 78.3% to a post-Transaction of 77.1%, should the Transaction be approved by non-associated shareholders.

Inability to repay debt owing to FMR using cash reserves

- 9.4 As at the most recent reporting date, being 30 June 2009, Barra had cash on hand of approximately \$1.8 million. Since then the Company has raised a further \$3.3 million after costs from a placement completed in August 2009. This equates to an adjusted cash balance as at 30 June 2009 of approximately \$5.1 million.
- 9.5 In our opinion, the Company appears not to have sufficient cash reserves to continue its exploration and production activities contemplated in the most recent activities report (June 2009) as well as repay in cash the outstanding debt owing to FMR.

Conversion price equal to placement price

- 9.6 Barra completed a placement on 31 August 2009 of 28 million shares at \$0.125 each to raise \$3.5 million (pre issue costs). Based on the Company's announcement, we understand the placement was made to selected institutional and sophisticated investors, and was oversubscribed.
- 9.7 We note the conversion price agreed under the terms of the Transaction is equal to the \$0.125 per share placement price.

No interest has been paid or accrued on loan

- 9.8 We have been advised by the Company that the outstanding debt owing to FMR has not historically accrued any interest and is not intended to accrue interest.
- 9.9 Given that generally interest is payable on loans, the consideration payable by Barra by way of the issue of an additional 5,187,472 at \$0.125 each represents an implied discount to the fair value consideration that would be payable if interest was accrued for the period that the debt was outstanding.
- 9.10 However, we have not attempted to quantify the actual value of the discount.

10 EVALUATION OF THE OFFER

Assessment of Fairness

- 10.1 In our opinion, the Transaction is 'fair' as the value of the consideration received in the form of the value of debt to be extinguished is equal to the securities to be offered under the Transaction.

Assessment of Reasonableness

- 10.2 In accordance with RG 111, the Transaction has been assessed to be 'reasonable' based as it is 'fair'.

Conclusion

- 10.3 **In our opinion, the Transaction is considered to be 'fair' and 'reasonable'.**

11 SOURCES OF INFORMATION

- 11.1 In preparing this report we have had access to and have relied upon the following primary sources of information:
- Barra's 2008 and 2009 Financial Reports;
 - Barra's draft Notice of Annual General Meeting scheduled for 18 November 2009;
 - Correspondences including electronic mail, telephone conversations and meetings with key personnel from Barra; and
 - Other sources of publicly available information such as IRESS, ASIC, ASX, Internet, Company Websites, newspaper publications etc.

12 DECLARATIONS

Qualifications

- 12.1 PKFCA is corporate advisory company owned by partners of PKF Chartered Accountants, Western Australian Partnership (“PKF”). PKFCA has extensive experience in the provision of corporate financial advice, particularly in respect of independent expert’s reports and valuations.
- 12.2 The nature of this Report is such that it should be given by an entity that holds an Australian Financial Services Licence under the Financial Services Reform Act 2001. PKFCA holds the appropriate Australian Financial Service Licence. PKFCA’s Financial Services Guide is included in Appendix 2.
- 12.3 The person specifically involved in preparing this Report, Mr Neil Smith, is a Partner of PKF and a Director of PKFCA and has the necessary experience and qualifications appropriate to the advice being offered.
- 12.4 Other PKFCA and PKF staff have been consulted in the preparation of this Report where appropriate.

Independence

- 12.5 PKFCA is not aware of any matter or circumstance that would preclude it from preparing this Report on the grounds of independence either under regulatory or professional requirements. In particular, we have had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC RG 112.
- 12.6 Neither PKFCA, PKF, nor the signatory of this Report Mr Neil Smith, has had within the past two years any relationship with the Company, except as follows:
- Independent expert’s report for Barra dated 15 October 2008;
 - Tax consulting and compliance; and
 - Option valuation.
- 12.7 We have held discussions with the management of Barra regarding the factual accuracy of the information contained in this Report. We did not change the methodology used in our assessment as a result of these discussions and our independence has not been impinged in any way.

Disclaimer

- 12.8 This Report has been prepared at the request of the Directors of Barra specifically for the non-associated shareholders of Barra. It is not intended that this Report be used for any other purpose other than to accompany the NOM be sent to Barra shareholders.
- 12.9 In particular it is not intended that this Report should be used for any other purpose than as an expression of our opinion on whether the Transaction is fair and reasonable to the shareholders of the Company.
- 12.10 Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the non-associated shareholders of Barra without the written consent of PKFCA.
- 12.11 Neither PKFCA, nor PKF, nor any member or employee thereof undertakes responsibility to any person, other than the non-associated shareholders of Barra, in respect of this Report, including any error or omissions howsoever caused.

- 12.12 In the preparation of this Report we have considered the information and explanations given to us. We emphasise that we have not carried out an independent confirmation of the information nor have we conducted anything in the nature of an audit or full scope due diligence review. We do not imply, nor should it be constructed that our assessment has revealed all the matters which an audit or more detailed examination might disclose.
- 12.13 We have however evaluated information provided to us by Barra, as well as other parties through inquiry, analysis and review and nothing has come to our attention to indicate the information provided was materially misstated or did not afford reasonable grounds upon which to base our opinion. We have no reason to believe that any information relied on by us is incorrect.
- 12.14 The statements and opinions contained in this Report are given in good faith and are based upon PKFCA's consideration and assessment of information provided by the Directors, executives and management of Barra as well as other parties from whom the Directors have instructed to provide information, and is believed to be reliable and accurate. We have no reason to believe that any information has been withheld from us.

Consents

- 12.15 PKFCA hereby consents to this Report accompanying the NOM, in the form and content in which it is included, to be sent to Barra shareholders. Apart from such use, neither the whole, nor any part of this Report, nor any reference thereto may be included in or with, or attached to any document, circular, resolution, statement or letter without the prior written consent of PKFCA.

Other

- 12.16 PKFCA is entitled to receive a fee based on the time spent at usual commercial rates in the preparation of this Report. PKFCA will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the making of this Report.

Yours faithfully



Neil Smith
Director

APPENDIX 1 – VALUATION METHODS

Various commonly used business valuation methods have been considered as follows:

- Discounted Cash Flow (“**DCF**”);
- Capitalisation of Future Maintainable Earnings (“**CFME**”);
- Net Realisable Value of Assets (“**NRV**”); and
- Market Trading (“**Market**”).

DCF Approach

The DCF method is based on the premise that the value of a business or any asset is represented by the present value of its future cash flows. It requires two essential elements:

- the forecast of future cash flows of the business asset for a number of years (usually five to ten years); and
- the discount rate that reflects the riskiness of those cash flows used to discount the forecast cash flows back to net present value (“NPV”).

DCF is appropriate where:

- the businesses’ earnings are capable of being forecast for a reasonable period (preferably 5 to 10 years) with reasonable accuracy;
- earnings or cash flows are expected to fluctuate significantly from year to year;
- the business or asset has a finite or defined life such as a mine or property development;
- the business is in a 'start up' or in early stages of development;
- the business has irregular capital expenditure requirements;
- the business involves infrastructure projects with major capital expenditure requirements; or
- the business is currently making losses but is expected to generate profits in the future.

CFME Approach

The CFME method involves the capitalisation of estimated future maintainable earnings by an appropriate multiple as a basis for determining the value of the business. Maintainable earnings are the assessed sustainable profits that can be derived by a business and excludes any one off profits or losses. An appropriate earnings multiple is assessed by reference to market evidence of the earnings multiples of comparable companies. The business value is then added to the realisable value of any surplus assets and net debt to arrive at the value of the Company.

This method is suitable for the valuation of profitable businesses with indefinite trading lives and recurring revenue streams and where earnings are relatively stable or a reliable trend in earnings is evident.

Net Realisable Value of Assets

Asset based valuations involve the determination of the fair market value of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

- separating the business or entity into components which can be readily sold, such as individual business units or collection of individual items of plant and equipment and other net assets; and
- ascribing a value to each based on the net amount that could be obtained for this asset if sold.

The net realisable value of the assets can be determined on the basis of:

- *orderly realisation*: this method estimates fair market value by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value;
- *liquidation*: this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value; or
- *going concern*: the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding company. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

The net realisable value of a trading company's assets will generally provide the lowest possible value for the business. The difference between the value of the company's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The net realisable value of assets is relevant where a company is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding company, or where all its assets are liquid. It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

These approaches ignore the possibility that the company's value could exceed the realisable value of its assets.

Market Trading Approach

Market valuations rely on prices from recent sales of the comparable assets, or shares in a company as a guide to current value. This approach includes the use of current share prices for companies that are listed on the ASX. The application of the price that a company's shares trade on the ASX is an appropriate basis for valuation where:

- the shares trade in an efficient market place where 'willing' buyers and sellers readily trade the company's shares; and
- the market for the company's shares is active and liquid.

The Market approach generally provides a fair guide to value a company based on actual exchanges between willing and able buyers and willing and able sellers at arm's length.

APPENDIX 2 – FINANCIAL SERVICES GUIDE

Issue date: 8 October 2009

Financial Services Guide

What is a Financial Services Guide?

The purpose of the Financial Services Guide (“FSG”) is to assist you in deciding whether to use any of the general financial product advice provided by PKF Corporate Advisory Services (WA) Pty Ltd (“PKFCA”) (ABN 68 009 423 152). PKFCA is a holder of an Australian Financial Services Licence (“AFSL”) No. 240566. The contents of this FSG include:

- who PKFCA is and how we can be contacted;
- what services PKFCA is authorised to provide under our AFSL;
- how PKFCA (and any other relevant parties) is remunerated in relation to any general financial product advice PKFCA may provide;
- details of any potential conflicts of interest; and
- details of PKFCA’s internal and external dispute resolution systems and how you can access them.

Information About Us

We have been engaged by the Directors of Barra Resources Limited (“the Company”) to give general financial product advice in the form of a report to be provided to you in connection with our Independent Expert’s Report. A copy of this report is included in the Notice of Meeting prepared by the Company. You are not the party or parties who engaged PKFCA to prepare the report.

PKFCA is a corporate advisory company owned by the partners of the Western Australian partnership of PKF Chartered Accountants and Business Advisers (“PKF”). The directors of PKFCA may also be partners in the Western Australian partnership of PKF.

The Western Australian partnership of PKF and its related entities provide services primarily in the areas of external audit, internal audit, tax, consulting and through PKFCA, corporate advisory services.

The financial product advice in our report is provided by PKFCA and not by the West Australian partnership of PKF or its related entities.

We do not have any formal associations or relationships with any other entities that are issuers or sellers of financial products, other than PKF Financial Services Pty Ltd. However, you should note that PKFCA and the West Australian partnership of PKF (and its related bodies corporate) may from time to time provide professional services to financial product issuers or sellers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL that we hold authorises us to provide financial product advice in respect of securities only in the capacity of providing reports, for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues.

Information about the general financial product advice we provide

The financial product advice provided in our report is known as “general advice” because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued or sold by another party, we recommend you obtain and read carefully the relevant offer document provided by the issuer or seller of the financial product. The purpose of the offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

Our fees are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out of pocket expenses incurred in providing the services.

Fee arrangements are agreed with the party or parties who actually engage us, and we confirm our remuneration in a written letter of engagement to the party or parties who engage us.

Neither PKFCA nor its Directors and officers, nor any related bodies corporate or associates and their Directors and officers, receives any commissions or other benefits, except for the fees for the services rendered to the party or parties who engage us. You have a right to request further information with regards to remuneration received by PKFCA or its representatives.

All of our employees receive a salary. Our employees are eligible for annual salary increases and bonuses based on overall performance but do not receive any commissions or other benefits arising directly from services provided by you. The remuneration paid to our Directors reflects their individual contribution to the company and covers all aspects of performance. Our Directors do not receive any commissions or other benefits in connection with our advice.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Responsibility

The liability of PKFCA is limited to the contents of this FSG and the report referred to in this FSG.

Distribution

PKFCA authorises the distribution of this FSG.

What should you do if you have a complaint?

If you have any concerns regarding this report, you may wish to advise us. Our internal complaints handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

**The Complaints Officer
PO Box Z5066 St George's Terrace
PERTH WA 6831**

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Industry Complaints Service (“FICS”). FICS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FICS at:

Financial Industry Complaints Service
PO Box 579
Collins Street West
MELBOURNE VIC 8007
Telephone: 1300 780 808
Fax: +61 (03) 9621 2291

If your complaint relates to the professional conduct of a person who is a Chartered Accountant, you may wish to lodge a complaint in writing with the Institute of Chartered Accountants in Australia (“ICAA”). The ICAA is the professional body responsible for setting and upholding the professional, ethical and technical standards of Chartered Accountants and can be contacted at:

The Institute of Chartered Accountants
GPO Box Z5385 St Georges Terrace
PERTH WA 6831
Telephone (08) 9420 0400
Fax (08) 9321 5141

Specific contact details for lodging a complaint with the ICAA can be obtained from their website at:

<http://www.icaa.org.au/about/index.cfm>

The Australian Securities and Investment Commission (“ASIC”) regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info Line: 1300 300 630
Email: infoline@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>