



BARRA RESOURCES LIMITED
SECURITIES TRADING POLICY

1.0 Introduction

The Board of Barra Resources Limited ("**Barra**") has adopted the following policy in relation to directors, officers, employees and Potential Insiders (as defined below) buying and selling securities of Barra Resources.

2.0 Policy

Barra Resources recognises that directors, officers and employees may hold securities in Barra Resources and that most investors are encouraged by these holdings. Barra Resources also recognises that Potential Insiders (as defined below) may hold securities in Barra Resources. It is the responsibility of the individual director, officer, employee or Potential Insider to ensure that any trading by the director, officer, employee or Potential Insider complies with the Corporations Act 2001, the ASX Listing Rules and this Policy.

3.0 Application of Policy

In this Policy, all references to a director, officer or employee includes a director, officer or employee of Barra Resources, the director's, officer's or employee's immediate family (includes a person or persons under the control or influence of the director, officer or employee) and related entities controlled by the director, officer or employee or members of their immediate family. Further, all references to "officers" includes a reference to "key management personnel" as defined in AASB Standard 124 Related Party Disclosure, being those persons having authority and responsibility for planning, directing and controlling the activities of Barra Resources, directly or indirectly, including any director (whether executive or otherwise) of Barra Resources.

This Policy also applies to persons who are involved with Barra Resources' confidential information, such as advisers, contractors and consultants to Barra Resources, who are notified as "Potential Insiders" by Barra Resources' from time to time ("**Potential Insiders**").

4.0 Effective Date

24 December 2010

5.0 Insider Trading

Directors, officers, employees and Potential Insiders who wish to trade in Barra Resources securities must first have regard to the statutory provisions of the Corporations Act dealing with insider trading.

In summary, if a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, the person must not:

- (a) deal in the securities;
- (b) procure another person to deal in the securities; or
- (c) give the information to another person (also known as "tipping") who the person knows, or ought reasonably to know, is likely to deal in the securities or procure someone else to deal in the securities.

Inside information is information that:

- (a) is not generally available; and
- (b) if it were generally available, a reasonable person would, or would expect it to influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.

Information is generally available if it:

- (a) is readily observable;
- (b) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
- (c) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs (a) and (b) above.

Insider trading is an offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or director engages in insider trading. Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

6.0 Blackout Periods

In addition to the prohibitions on insider trading set out in the Corporations Act, Barra Resources requires that directors, officers, employees and Potential Insiders must not trade in Barra Resources' securities :

- (a) in the period commencing 5 business days prior to the planned release of each of the Company's quarterly, half-yearly and annual reports and ending 48 hours immediately following the release of those reports by the Company;
- (b) during the 5 business days prior to the expected release of results of technical studies, including but not limited to: (i) scoping study; (ii) pre-feasibility study; (iii) feasibility study; or (iv) other detailed technical study;
- (c) during the 5 business days prior to the expected release of: (i) any scheduled announcement containing inside information; (ii) exploration results; (iii) production results; (iv) a capital raising (except participation by a key management person as defined in AASB 124 Related Party Disclosure in the capital raising itself) by Barra Resources; (v) a target statement for a takeover offer for securities in Barra Resources; or (vi) a bidder's statement for the issue of securities in Barra Resources,

("Blackout Periods"), unless the circumstances are exceptional and the procedure for prior written clearance described below has been met.

In addition to the prohibitions on insider trading set out in the Corporations Act, Barra Resources requires that directors, officers, employees and Potential Insiders must not trade in Barra

Resources' securities within any period imposed by the Company from time to time, because the Company is considering matters that would require disclosure to the market but for Listing Rule 3.1A ("**Additional Period**"), unless the circumstances are exceptional and the procedure for prior written clearance described below has been met. This prohibition is in addition to the Blackout Periods. The Blackout Periods, and the Additional Period are together referred to as a "Prohibited Period" in this Policy.

Please note that even if it is outside of a Prohibited Period, directors, officers, employees and Potential Insiders must not trade in Barra Resources' securities if they are in possession of inside information.

7.0 Exceptional Circumstances when trading may be permitted subject to prior written clearance

A person may trade in Barra Resources' securities inside a Prohibited Period, subject to obtaining prior written clearance in accordance with the procedure described below, in the following exceptional circumstances:

1. if the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about Barra Resources and the person seeking clearance is in severe financial hardship;
2. if the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about Barra Resources and there are other circumstances deemed to be exceptional by the person granting the prior written clearance; or
3. where trading is required for compliance with a court order or court enforceable undertakings or for some other legal or regulatory requirement.

8.0 Procedure for Obtaining Clearance Prior to Trading

Directors, officers, employees and Potential Insiders must not trade in Barra Resources' securities at any time, including in the exceptional circumstances referred to above, unless the director, officer, employee or Potential Insider obtains prior written clearance from the Chair, or in the case of the Chair, from the full Board (each an "**Approving Officer**").

A request for prior written clearance under this policy should be made in writing using the form attached to this policy entitled 'Securities Trading Policy – Clearance Request' and given to the appropriate Approving Officer. The request may be submitted by email or by facsimile.

Any written clearance granted under this policy will be valid for the period of 3 business days from the time which it is given or such other period as may determined by the Approving Officer. The expiry time of the clearance will be stated in the clearance granted. Written clearance under this policy may be given by email or by facsimile.

9.0 Trading which is not subject to this policy

The following trading by directors, officers, employees and Potential Insiders is excluded from this policy:

1. transfers of securities already held into a superannuation fund or other saving scheme in which the director, officer, employee or Potential Insider is a beneficiary;
2. an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Barra Resources' securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
3. where the director, officer, employee or Potential Insider is a trustee, trading in the Company's securities by that trust provided the director, officer, employee or Potential Insider is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the director, officer, employee or Potential Insider;
4. undertakings to accept, or the acceptance of, a takeover offer;
5. trading under an offer or invitation made to all or most of the security holders such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements, and the sale of entitlements required to provide for the take up of the balance of entitlements, under a renounceable pro rata issue;
6. a disposal of securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
7. the exercise (but not the sale of securities following exercise) of an option or right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and Barra Resources has been in an exceptionally long Prohibited Period or Barra Resources has had a number of consecutive Prohibited Periods and the director, officer, employee or Potential Insider could not reasonably have been expected to exercise it at a time when free to do so; or
8. trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where: (a) the director, officer, employee or Potential Insider did not enter into the plan or amend the plan during a Prohibited Period; and (b) the trading plan does not permit the director, officer, employee or Potential Insider to exercise any influence or discretion over how, when, or whether to trade.

Please note that even if the trading is excluded from this Policy, directors, officers, employees and Potential Insiders must not trade in Barra Resources' securities if they are in possession of inside information.

10.0 Trading in derivative products

The prohibitions on trading in the Barra Resources' securities imposed by Barra Resources and set out in this policy extend to trading in financial products issued or created over or in respect of the Barra Resources' securities.

11.0 Prohibited Transactions

Directors, officers and employees must not enter into agreements that provide lenders with rights over their interests in securities in Barra Resources without first seeking and obtaining prior written clearance from the appropriate Approving Officer.

Directors, officers, employees and Potential Insiders must not put in place a non-discretionary

trading plan in respect of their securities in Barra Resources without first seeking and obtaining prior written clearance from the appropriate Approving Officer. Directors, officers, employees or Potential Insiders must not cancel any such trading plan during a Prohibited Period, unless the circumstances are exceptional and the procedure for prior written clearance has been met.

Directors, officers and employees are prohibited from entering into transactions or arrangements which limit the economic risk of participating in invested entitlements under any equity based remuneration schemes.

12.0 Other Securities

A director, officer, employee or Potential Insider shall not trade securities of another company where the director, officer, employee or Potential Insider is aware of:

- (a) non-public information regarding investigations or negotiations being conducted by Barra Resources or any of its related entities into that company; and/or
- (b) non-public material information of a company in partnership with Barra Resources.

13.0 Breach of Policy

A breach of this policy by an employee may lead to disciplinary action. It may also be a breach of the insider trading prohibition which could expose directors, officers, employees and Potential Insiders to criminal and civil liability.

14.0 Assistance and Additional Information

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the Chairman or his designate.

- c) I will not deal in the above securities until I am notified that clearance is approved; and
- d) I may be refused permission to deal without explanation.

Signed: _____ Date: _____

This clearance is valid for a period of 3 business days from the date of approval. After this time, clearance will lapse and a further request will need to be completed. This form will be returned to you with the period of validation completed if approval has been granted.

For completion by the Approving Officer

Approval for the above dealing has been: cleared for a period of 3 business days
 refused

Signed: _____ Date: _____

Name: _____