



# Notice of Annual General Meeting and Explanatory Statement

*The Annual General Meeting of*

## ***BARU RESOURCES LIMITED***

*ACN 147 324 847*

*Will be held at  
11:00am (AEDST) on Friday 18 November 2011*

*At*

*Radisson Plaza Hotel  
27 O'Connell Street, Sydney, NSW, 2000*

This Notice of Annual General Meeting and Explanatory Statement 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 advisor without delay

# BARU RESOURCES LIMITED

A.C.N. 147 324 847

Registered office: Suite 304, 22 St Kilda Road, St Kilda, Victoria 3182

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Baru Resources Limited ("Baru" or the "Company") will be held at Sir James Fairfax Room, Radisson Plaza Hotel, Sydney on Friday 18 November 2011 at 11.00am (AEST).

### AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

#### ORDINARY BUSINESS

##### Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2011.

*Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.*

##### Resolution 1: Adoption of Remuneration Report

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

*"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2011 be adopted."*

##### Voting Exclusion

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
  - (b) a closely related party of such a member,
- unless:
- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
  - (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

*Notes: Any undirected proxies held by the Chairman of the meeting, by other Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by either marking the box for Resolution 1 or by marking the Chairman's box on the proxy form (in which case the Chairman of the meeting will vote in favour of this item of business as your proxy).*

##### Resolution 2: Election of Mr Richard Anthon as a Director of the Company

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

*"That Mr Richard Anthon, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company."*

*Notes: The non-candidate directors unanimously support the election of Mr Richard Anthon. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Richard Anthon's election.*

**Resolution 3: Election of Mr Kevin Nichol as a Director of the Company**

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

*“That Mr Kevin Nichol, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company.”*

*Notes: The non-candidate directors unanimously support the election of Mr Kevin Nichol. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Kevin Nichols’ election.*

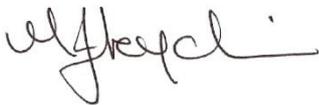
**Resolution 4: Election of Mr Peter Avery as a Director of the Company**

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

*“That Mr Peter Avery, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company.”*

*Notes: The non-candidate directors unanimously support the election of Mr Peter Avery. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Peter Avery’s election.*

**By order of the Board**



Melanie Leydin  
Company Secretary  
Melbourne

18 October 2011

# EXPLANATORY STATEMENT

## Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2011 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Alternatively you may access the annual report at the Company's website: [www.baru.com.au](http://www.baru.com.au) or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

## Resolution 1: Adoption of Remuneration Report

The Corporations Act requires that at a listed Company's Annual General Meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, section 250R(3) of the *Corporations Act 2001* expressly provides that the vote on such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company (described as "**Key Management Personnel**"). The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Pursuant to the *Corporations Amendment (Improving Accountability for Director and Executive Remuneration) Bill 2011* which amended the Corporations Act from 1 July 2011, if 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings (effectively, "two strikes"), shareholders will be required to vote at the second of those annual general meetings on a resolution (referred to as a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election. The spill resolution requirements will only be triggered where both strikes occur after 1 July 2011. On this basis, while votes on the Remuneration Report at this Annual General Meeting will be counted towards the two strikes, the first spill resolution can only potentially occur following the Company's 2012 Annual General Meeting.

Also, the *Corporations Amendment (Improving Accountability for Director and Executive Remuneration) Bill 2011* has introduced new prohibitions on key management personnel and their closely related parties from voting or voting undirected proxies on, amongst other things, remuneration matters. Accordingly, any undirected proxies held by the Chairman of the meeting, other Directors or by other Key Management Personnel or their closely related parties for the purposes of Resolution 1 will not be voted on Resolution 1.

The Company encourages all Shareholders to cast their votes in relation to Resolution 1 and if Shareholders choose to appoint a proxy, Shareholders are encouraged to direct their proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the proxy form or by marking the Chairman's box (in which case the Chairman of the meeting will vote in favour of Resolution 1 as your proxy).

## Resolution 2 - Election of a Director – Mr Richard Anthon

Mr Richard Anthon was appointed as a director on 23 November 2010 as a casual vacancy and retires in accordance with the Company's Constitution and is eligible for election.

Mr Anthon is the managing partner of Hemming + Hart Lawyers, a commercial and corporate focused CBD law firm in Brisbane. Mr Anthon has practised extensively in the corporate and mining law area for more than 15 years including having worked inhouse for listed mining companies. He has acted as company secretary for listed companies and has been a director of a number of listed companies since 1996. He regularly advises on a range of corporate and mining related matters including venture capital raising, public listings, mergers and acquisitions, titles and tenure, native title issues, project finance, construction and development. Mr Anthon holds a Bachelor of Laws and is also a member of the Australian Institute of Company Directors.

### **Resolution 3 - Election of a Director – Mr Kevin Nichol**

Mr Kevin Nichol was appointed as a director on 23 November 2010 as a casual vacancy and retires in accordance with the Company's Constitution and is eligible for election.

After finishing his honours thesis in the energy sector, Kevin worked as a financial analyst for the late Kerry Packer's private company, Consolidated Press Holdings Pty Ltd (now Consolidated Media Ltd). In the mid 80s he joined Norths Stockbrokers, where he learnt his trade in the marketplace as an advisor. Kevin also spent several years on the trading floor of the Sydney Futures Exchange and traded commodities as well as interest-rate futures for several banking houses.

### **Resolution 4 - Election of a Director – Mr Peter Avery**

Mr Peter Avery was appointed as a director on 23 November 2010 as a casual vacancy and retires in accordance with the Company's Constitution and is eligible for election.

Peter Avery has over 20 years professional experience within the stockbroking industry. During the previous 10 years, Peter has held a senior role as a private client advisor at Perth broking firm, DJ Carmichael (DJC). Prior to joining DJC, Peter developed specialist skills as an equity advisor at Todd Partners managing client portfolios. Peter's industry experience includes extensive capital raisings within the resource and mining sectors and he holds a Diploma of Financial Planning from Deakin University.

## **PROXY AND VOTING INSTRUCTIONS**

1. For the purposes of the Corporations Act, the Company has determined that all securities of the Company recorded on the Company's register as at 7.00 pm (AEDST) on the date 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.
2. The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and forms part of this Notice of Meeting.
3. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
4. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
5. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
6. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
7. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
8. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice.
9. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
10. Key Management Personnel and their closely related parties will not be able to vote your proxy on Resolution 1 unless you direct them how to vote. If you intend to appoint a member of the Key Management Personnel as your proxy, please ensure that you direct them how to vote on Resolution 1. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by either

marking the box for Resolution 1 or by marking the Chairman's box on the proxy form (in which case the Chairman of the meeting will vote in favour of this item of business).

11. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office or Advanced Share Registry Ltd in accordance with the instructions set out in the proxy form by no later than 11:00 am (AEDST) on 16 November 2011.

## **GLOSSARY**

The following terms have the following meanings in this Explanatory Statement:

**"ASIC"** means the Australian Securities and Investments Commission;

**"ASX"** means ASX Limited or the Australian Securities Exchange, as the context requires;

**"AEDST"** means Australian Eastern Daylight Savings Time.

**"Board"** means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

**"Company"** means Baru Resources Limited ABN 50 147 324 847;

**"Corporations Act"** means the Corporations Act 2001 (Cth);

**"Director"** means a Director of the Company;

**"Listing Rules"** means the Listing Rules of the ASX;

**"Notice"** means the Notice of Meeting accompanying this Explanatory Statement;

**"Remuneration Report"** means the remuneration report which forms part of the Directors' Report of Baru for the financial year ended 30 June 2011 and which is set out in the 2011 Annual Report.

# BARU RESOURCES LIMITED

## Appointment of proxy

If you propose to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.

All Registry communication to:  
**Advanced Share Registry Ltd**

150 Stirling Highway  
Nedlands WA 6009  
PO Box 1156

Nedlands WA 6909

Telephone: (08) 9389 8033

Facsimile: (08) 9389 7871

Website: [www.advancedshare.com.au](http://www.advancedshare.com.au)  
[www.baru.com.au](http://www.baru.com.au)

I/We being a member(s) of BARU RESOURCES LIMITED ACN 147 324 847 and entitled to attend and vote hereby appoint.

**A** the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

Or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 11.00am (AEDST) on Friday, 18 November 2011 and at any adjournment of that meeting. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received at the Company's registered office no later than 48 hours before the meeting.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolutions 2, 3 and 4.

### Important for Item 1 – If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 1 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Item 1, the Chairman of the Meeting will not cast your votes on Item 1 and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Item 1).

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 1 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though item 1 is connected directly or indirectly with the remuneration of a member of key management personnel.

If you appoint the Chairman of the Meeting as your proxy you acknowledge that in acting as your proxy the Chairman may exercise your undirected proxy votes (if you do not specify below how your proxy is to vote) even if he or she has an interest in the outcome of the resolution which carries a voting exclusion providing that votes cast by him or her other than as a proxyholder will be disregarded because of that interest. The Chairman intends to vote undirected proxies IN FAVOR of each resolution.

Should you desire to direct your proxy how to vote on any resolution please insert  in the appropriate box below.

		For	Against	Abstain*
<b>Resolution 1</b>	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	Election of a Director – Mr Richard Anthon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	Election of a Director – Mr Kevin Nichol	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	Election of a Director – Mr Peter Avery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**B** PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

#### Securityholder 1 (individual)

Sole Director and Sole Company Secretary

#### Joint Securityholder 2 (individual)

Director/Company Secretary (Delete one)

#### Joint Securityholder 3 (individual)

Director

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact Daytime Telephone or Email

\_\_\_\_/\_\_\_\_/\_\_\_\_  
Date

# Proxy Instructions

## Generally

A shareholder entitled to attend and vote at the Annual General Meeting convened by the Notice is entitled to appoint not more than 2 proxies to vote on the shareholder's behalf. A proxy need not be a shareholder. The proxy appointment may be a standing appointment for all general meetings until it is revoked. Additional proxy forms are available from the Company.

If a representative of a shareholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission. A form of the certificate may be obtained from the Company's share registry by calling +61 8 9389 8033.

## Appointing Two Proxies

A shareholder entitled to cast 2 or more votes may appoint 2 proxies. Where 2 proxies are appointed, if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes. Fractions of votes will be disregarded.

## Signing Instructions

Individuals: The shareholder must sign personally.

Joint Holding: If the holding is in more than 1 name, all of the shareholders must sign.

Company: Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please sign in the appropriate place to indicate the office held.

Power of Attorney: The attorney must sign and the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

## Lodgement of a Proxy

Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be lodged at, or sent by facsimile transmission to, the offices of the Company so that it is received no later than 11.00am (AEDST), 16 November 2011.

## Documents may be lodged:

IN PERSON Share Registry – Advanced Share Registry, 150 Stirling Highway Nedlands WA 6009, Australia

BY MAIL Share Registry – Advanced Share Registry, PO Box 1156, Nedlands WA 6909, Australia

BY FAX +61 8 9389 7871

## Your Address

This is your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form and sign it. Security holders sponsored by a broker (in which case your reference number overleaf will commence with an "X") should advise your broker of any changes. You cannot change ownership of your shares using this form.