



BARRA RESOURCES LIMITED
ABN 76 093 396 859

ANNUAL REPORT 2021



BARRA RESOURCES LIMITED

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Directors

Non-Executive Chairman

Michael (Mike) Edwards BBus BEc

CEO and Managing Director

Christopher (Chris) Hansen BSc MSc

Non-Executive Director

Glenn Poole BSc MBA

Non-Executive Director

Jonathan (Jon) Young BCom CA F Fin

Company Secretary

Grant Mooney BBus CA

Registered Office & Principal Place of Business

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Share Register

Automic Group Pty Ltd

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Level 2, 267 St Georges Tce

Perth WA 6005

Phone: 1300 288 664

Email: hello@automicgroup.com.au

Website: www.automicgroup.com.au

Auditors

HLB Mann Judd

Level 4, 130 Stirling Street

Perth, WA 6000

08 9227 7500

Securities Exchange

The Company's securities are quoted on the Official List of the Australian Securities Exchange Limited (ASX)

ASX Code

Shares: BAR

CHAIRMAN'S LETTER



MIKE EDWARDS

Non-Executive Chairman

Dear Shareholders,

On behalf of the Board of Directors I take pleasure in presenting the 2021 Annual Report.

I write this letter having only recently joined the Board as Chairman taking over from my predecessor, Gary Berrell, several weeks ago. I would like to thank the Board for the opportunity and am excited about what I see ahead for Barra in the coming months and years. Gary Berrell and Grant Mooney stepped down as Chair and Non-Executive Director respectively on August 18th, subsequent to the end of the 2021 financial year, Grant will however continue on as Company Secretary. I would like to take this opportunity to thank both Gary and Grant for their 15+ years of loyal and diligent service to the Company. The significant work that has been undertaken on all of the Company's projects has laid a solid foundation for the incoming team.

While discussing Board changes, in May, Chris Hansen was appointed as CEO and Managing Director. Chris brings broad industry knowledge and energy to the role having previously worked for a major London based mining private equity fund as well as technical roles with Fortescue Metals and Barrick Gold. In the short time I have been working with Chris, I have been deeply impressed by Chris's work ethic and broad knowledge and am supremely confident that the Company is in a sure pair of hands with him at the helm.


Subsequent to the end of the year, Glenn Poole was appointed as a Non-Executive Director. The intention is for Glen to transition into the role of Executive Director and Chief Geologist once his current executive position with another company comes to

an end in November. Glenn is a Geologist with over 15 years of experience in exploration and production environments predominantly in Western Australian Orogenic gold systems and has held senior positions with companies such as Northern Star and Firefly Resources.

It is exciting to have such a young, experienced team driving the company forward both corporately and technically over the coming years. It is a credit to the outgoing Board members that they acknowledged a new perspective and renewed vigour was required to take the Company to the next level.

During the 2021 financial year, the ongoing global turmoil due to the COVID pandemic has continued to provide strong price support for gold. Although we started and finished the year at roughly the same gold price, around USD\$1780/oz, we saw a peak of USD\$2070/oz in early August. The gold price continues to remain strong and our view is that from a technical and fundamental perspective gold continues to be the preferred safe haven.

To that end, the focus for the year was very much on the under explored Coolgardie Gold Projects at Burbanks and Philips Find. At the Burbanks Project, a 5,000m reverse circulation (RC) and diamond drilling program was completed targeting the downplunge extensions of high-grade mineralisation at Main Lode as well as a newly identified zone of mineralisation identified from previous drilling. This was a highly successful drill program and one which the company is looking to build on with further drilling in the coming months.



Open pit and underground mining approvals for the Burbanks North and Main Lode deposits were received from the Department of Mines in November last year which allowed the commencement of the Stage 1 trial mining activities. At the end of the June quarter, the underground decline development was 65% complete with ore development and stoping due to commence shortly. This underground development has provided the company with a unique opportunity to further understand the Burbanks ore body and allow underground drilling platforms to be completed which will allow us better and more cost effective drill targeting.

At Phillips Find, a maiden aircore drilling program along the Diablo Trend was undertaken targeting the anomalous felsic/mafic footwall contact zone. 35 holes for 1,543m were completed and significantly increased our geological understanding of the area and confirmed the mineralisation of the footwall zone. A further 98 holes for 1,771m were drilled at the Truth prospect which was follow up extensional drilling to some anomalous trends identified during a 2018 program. Both these programs have built on our understanding of the project and assisted in the design of the work programs for the coming year.

There was limited expenditure on the Mt Thirsty Cobalt project during the financial year. The native title negotiations with the Ngadju Traditional Owners are at an advanced stage and the joint-venture is currently considering several optimisation options for the previously completed PFS, including the option of producing cobalt and nickel sulphate products. The cobalt price continues to improve,

finishing the financial year at around USD\$50,000/t, and we feel this will only continue to head north in the coming years given the increase in demand for electric vehicles which in turn will further improve the economics of the Mt Thirsty project.

In September, the company completed a fully committed share placement to institutional, sophisticated and professional investors raising a total of \$1,483,755 before expenses. A total of 78,092,361 ordinary shares were issued at \$0.019c per share. After the financial year end, the company raised a further \$2,150,000 at \$0.017c per share from professional and sophisticated investors. This recent raise is significant in that it has brought in a whole new investor base who we believe will support the new team moving forward. These additional funds will be used to fund an aggressive exploration campaign at the Burbanks Gold Project. We are in the process of securing drill rigs and hope to start the programs in the next 4-6 weeks.

In closing, I believe it is an exciting time to be a Barra Resources shareholder. The company is fully funded for the upcoming drilling programs and with the new team and continuing technical and fundamental strength in gold, we have a very busy 12 months ahead of us. We look forward to updating you all further in the coming months as things progress.



Kind Regards

Mike Edwards
Non-Executive Chairman

REVIEW OF OPERATIONS

FY2020/21



BURBANKS GOLD PROJECT

OVERVIEW

The Burbanks Gold Project is located 9km southeast of Coolgardie, Western Australia. The project covers the Burbanks Mining Centre and over 5km in strike length of the highly prospective Burbanks Shear Zone, the most significant gold producing structure in the Coolgardie Goldfield (Figure 2).

The Burbanks Mining Centre comprises the Birthday Gift Gold Mine (encompassing Lady Robinson, Christmas, Far East and Tom's Pits) and the Main Lode Gold Mine 800m to the north. The recorded historic underground mine production at Burbanks (1885-1961) totalled 444,600t at 22.7 g/t Au for 324,479oz of gold predominantly from above 140m below the surface. Intermittent open pit and underground mining campaigns between the early 1980's to present day has seen total production from the Burbanks Mining Centre now exceed 420,000oz.

The Main Lode underground mine produced 146,000t @ 18.3g/t Au for approximately 85,900oz of gold between 1885 and 1914. Underground mining at Main Lode ceased at a depth of 275m below surface with the advent of World War 2. There is excellent potential however to extend and discover new high-grade lodes at depth and along strike along the broader mineralised system.

In addition to Birthday Gift and Main Lode, there are several other key prospects within the project area including Kangaroo Hills and Burbanks North.

On 20th April 2020, Barra entered an exploration and mining joint venture at the Burbanks Gold Project with mining and processing company, FMR Investments Pty Ltd ("FMR"). Under the terms of the revised Exploration and Mining Joint Venture Agreement, FMR will carry all mining and financial risks on agreed mining operations within the Initial Licence Area with profits split 50/50.

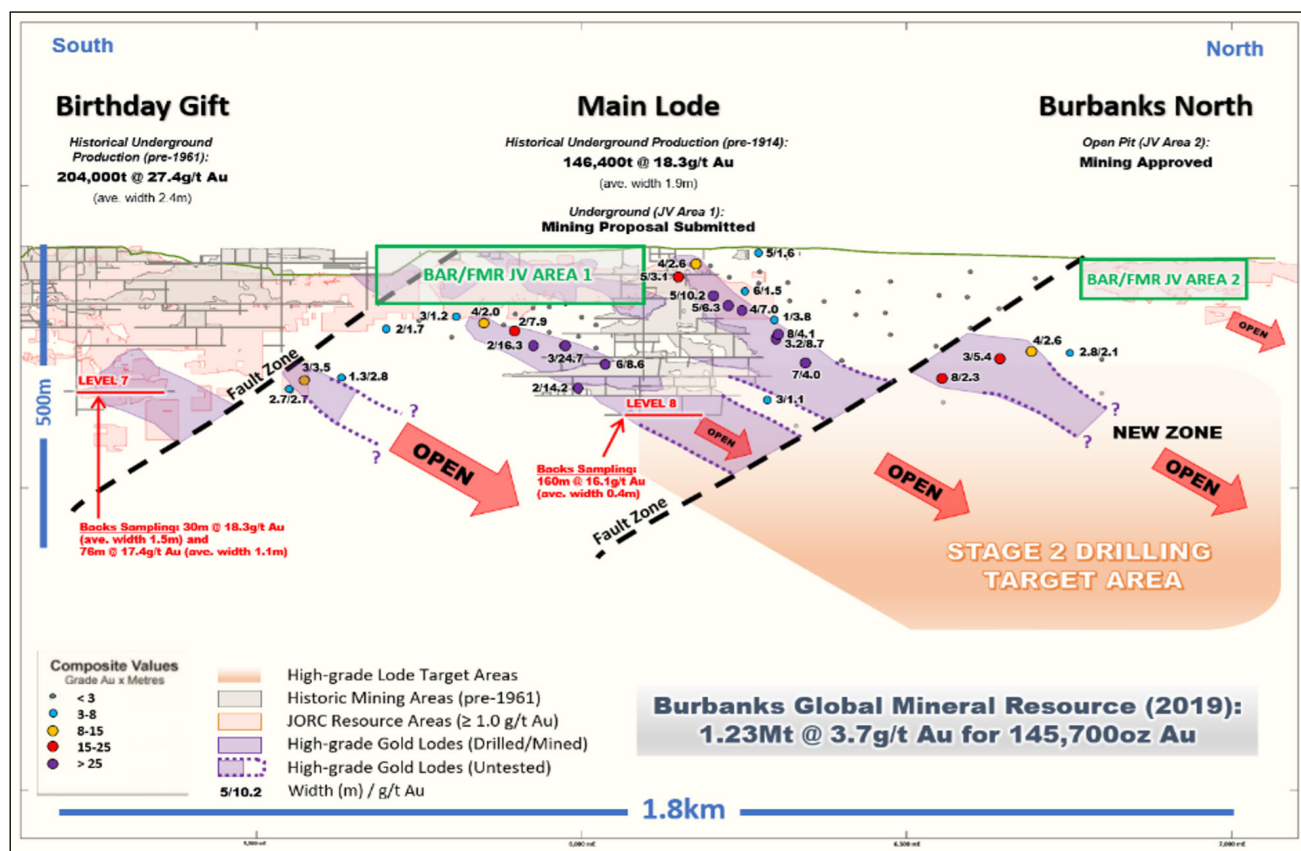


Figure 1 Schematic long section of Birthday Gift – Main Lode – Burbanks North area showing Mineral Resources, historic mining areas, BAR/FMR JV areas, drill intersections outside of resource and mining areas, high-grade lode and potential extensions.

EXPLORATION

In early October 2020, the Company announced the recommencement of exploration activities at Burbanks with 5,000 metres of combined reverse circulation (RC) and diamond drilling¹. The principal focus of the program was to follow-up on shallow RC drilling completed in 2019 which targeted the upper 100 metres of the highly prospective Burbanks Shear zone between Main Lode and Burbanks North, which historically returned²:

- BBRC303: 8.0m @ 4.10g/t Au from 159m;
- BBRC292: 3.0m @ 5.38g/t Au from 185m; and
- BBRC294: 4.0m @ 2.58g/t Au from 168m.

The program was subsequently completed in early January 2021 and consisted of 15 holes in total. Nine diamond drill holes tested two primary targets, namely the down-plunge extension of a high-grade zone of mineralisation at Main Lode and a New Zone of mineralisation defined by two previous RC holes drilled in 2019, lying 350m along strike to the north of Main Lode. Additionally, six RC pre-collars were drilled which will require the addition of diamond drill tails to reach the modelled drill target and will be assessed as part of future drill campaigns at Burbanks. Significant intercepts include³:

- BBDD020: 3.2m @ 8.7g/t Au from 160.6m;
- BBDD021: 2.7m @ 9.1g/t Au from 180.7m;
- BBDD020: 1.6m @ 14.52g/t Au from 139.4m; and
- BBDD021: 7.0m @ 4.0g/t Au from 188m.

The program was highly successful in providing geological confidence in the continuity of high-grade mineralisation at depth with the first four diamond holes defining and extending the targeted high-grade zone at Main Lode by up to 200 metres down-plunge. Importantly, the intercepted widths and grades were similar to the average widths historically mined at both Main Lode and Birthday Gift of 1.9 metres and 2.4 metres respectively (Figure 1).

Over the forthcoming financial year, the Company's immediate focus at Burbanks will be exploration and resource growth through continued testing of the area between Main Lode & Burbanks North at depth beneath and adjacent to existing mine workings (i.e., Level 8). Additionally, the Company will continue access the potential for shallower extensions at both Burbanks North & Burbanks South.

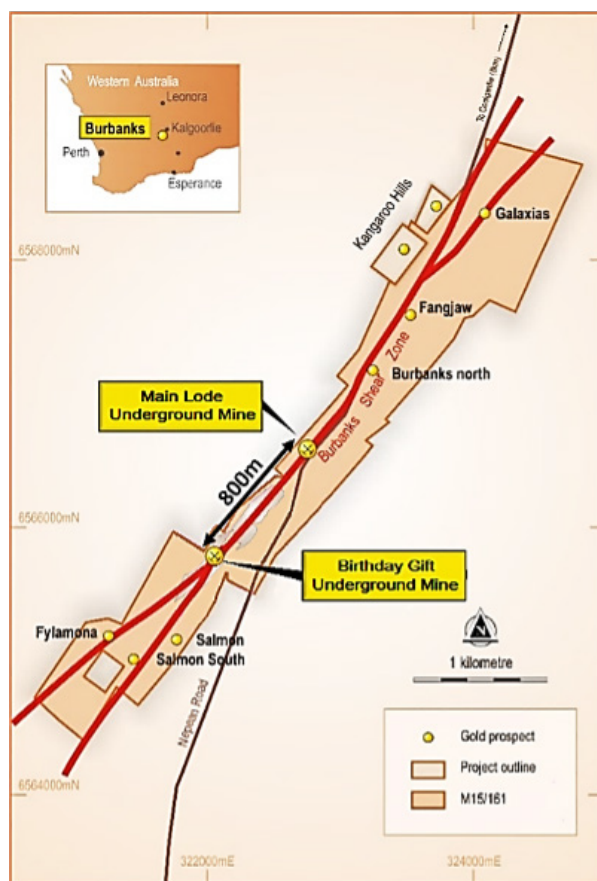


Figure 2 - Burbanks Project Map



Photos from top: Decline portal access from Christmas Pit; Underground decline development; Jumbo boring face; Underground LHD bogger.

¹ ASX: BAR Release dated 1 October 2020

² ASX: BAR Release dated 12 December 2019

³ ASX: BAR Release dated 13 January 2021

STAGE I TRIAL MINING JV

Over the course of the financial year the Company received the respective open pit and underground mining approvals for both Burbanks North⁴ and Main Lode⁵ from the Department of Mines, Industry Regulation and Safety (DMIRS; WA Mines Department) which allowed for the subsequent initiation of the Stage I Trial Mining Joint Venture in April 2021⁶.

As at 30 June 2021, Stage I Trial Mining activities within the Main Lode Initial Licence Area continue on schedule, with the underground portal established and all essential services installed, including power, water and ventilation. The underground decline development is over 65% complete as at the end of the 2021 financial year and it is anticipated that the remaining decline development will be completed by late July, with lateral level development and stoping commencing thereafter. Recovered ore will then be processed through the neighbouring Greenfields Mill with the Stage I Trial Mining activities within the Main Lode Initial Licence Area expected to be completed in Q1 2022.

The Stage I Trial Mining Joint Venture is expected to materially de-risk the project through the provision of invaluable technical and financial information which will guide future production decisions. The primary objectives of the Stage I Trial Mining Joint Venture are to:

- understand the orebody behaviour and the efficiency of the selected mining methods in order to maximise mining performance of the operation over the longer term; and
- assess the ability to establish underground drilling platforms to enable optimal exploration targeting down-dip extensions adjacent to and below existing historical mine areas.

Any further extensions to the Stage I Mining Joint Venture outside the Main Lode and Burbanks North Initial Licence Areas (see Figure 1) will require the mutual agreement of both Barra and FMR.

ANNOUNCEMENTS

- April 30 2021, Mining Commences at Mainlode, Burbanks Gold Project
- February 25 2021, Burbanks-Mainlode Mining Approval
- January 13 2021, Burbanks High Grade Drilling Results
- December 21 2020, Burbanks Exploration Update
- November 03 2020, Approval to Mine Burbanks North
- October 30 2020, Drilling Underway at Burbanks Gold Project
- October 01 2020, Drilling to Re-commence at Burbanks

⁴ ASX: BAR Release dated 3 November 2020

⁵ ASX: BAR Release dated 25 February 2021

⁶ ASX: BAR Release dated 30 April 2021

PHILLIPS FIND GOLD PROJECT

OVERVIEW

The Phillips Find Gold Project is located 45km northwest of Coolgardie, Western Australia. The project covers over 10 kilometres in strike of prospective greenstone stratigraphy and includes the PFMC where approximately 33,000 ounces of gold was produced between 1998 and 2015 from three open-pit operations; Bacchus Gift, Newhaven and Newminster. Exploration potential within the project is promising, with numerous targets defined by auger geochemical anomalism, mapping and past drilling.

DIABLO EXPLORATION

In February 2021, a first pass maiden aircore drilling program was undertaken along the Diablo Trend (northern strike extension) (35 holes for 1,543m). Drilling was designed to predominantly test the anomalous Diablo Trend felsic/mafic footwall contact zone along strike to the north of the historic Bob Hope – Elizabeth workings (Figure 2). Assay results were received in April 2021⁷ and while no significant interceptions (≥ 1.0 g/t Au) were encountered, PFAC411 intersected 11m @ 0.20 g/t Au from 52m (to end-of-hole) along the targeted felsic/mafic footwall contact zone, confirming the footwall zone is mineralised and the likely source of the surface gold geochemical anomalism (Figure 3).

The Company plans on undertaking a follow-up air core drilling program to test the footwall contact zone along strike to the north and south PFAC411.

TRUTH EXPLORATION

In February 2021, an extensional and infill aircore drill program was undertaken at Truth (98 holes for 1,771m). Drilling was designed to follow up several anomalous trends identified from the 2018 program. Assay results were received mid-April and while no significant (≥ 1.0 g/t Au) intersections were encountered several low-level gold anomalies continued to be encountered along the Samartia – Golden Crest Trend as well as extending the truth anomalism for a further 200m south along strike. Following this program the Company will now interpret and prioritise bedrock drill targets for RC drill testing in due course.

ANNOUNCEMENTS

- April 30 2021, Quarterly Activities Report
- February 16 2021, Drilling to Commence at Phillips Find

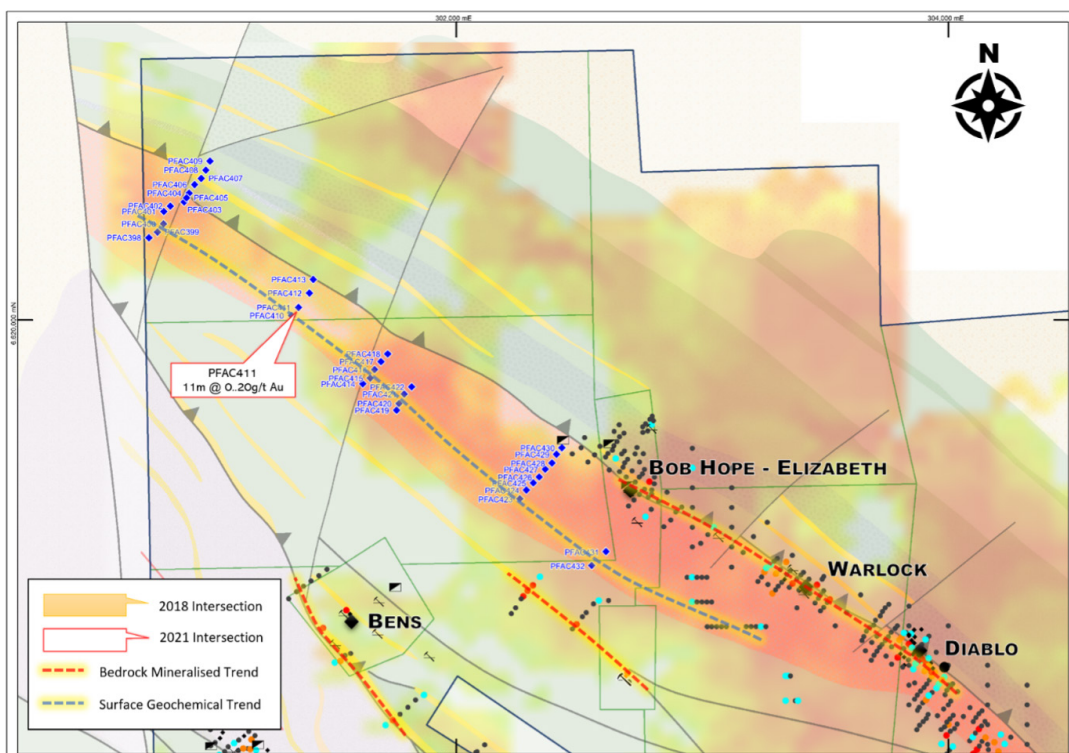


Figure 3 - Diablo Trend drilling showing anomalous trends with 2018 and 2021 anomalous results.

⁷ ASX: BAR Release dated 30 April 2021

MT THIRSTY COBALT-NICKEL PROJECT

OVERVIEW

The Mt Thirsty Cobalt-Nickel Project is located 16km northwest of Norseman, Western Australia (Figure 4). The project is jointly owned by Barra Resources Limited (Barra, or the Company) and Conico Limited, together the Mt Thirsty Joint Venture (MTJV).

The project contains the Mt Thirsty Cobalt-Nickel (Co-Ni) Oxide Deposit that has the potential to emerge as a significant cobalt producer. The Pre-Feasibility Study (PFS) for the project was completed and announced to the ASX on 20 February 2020. The PFS is based on the 26.9 Mdt @ 0.117% cobalt and 0.52% nickel Indicated and Inferred Mineral Resource and allowed a Maiden Probable Ore Reserve of 18.8 Mdt @ 0.126% cobalt and 0.54% nickel to be estimated. (refer MROR section).

UPDATE

Over the course of the financial year direct project expenditure for the MTJV reverted to a minimum while the partnering strategy was pursued as planned. In the interim Native Title negotiations with the Ngadju Traditional Owners are at an advanced stage and no impediments to an agreement are anticipated. Additionally the joint-venture is currently considering several optimisation options for the previously completed PFS, including the option of producing cobalt and nickel sulphate products.

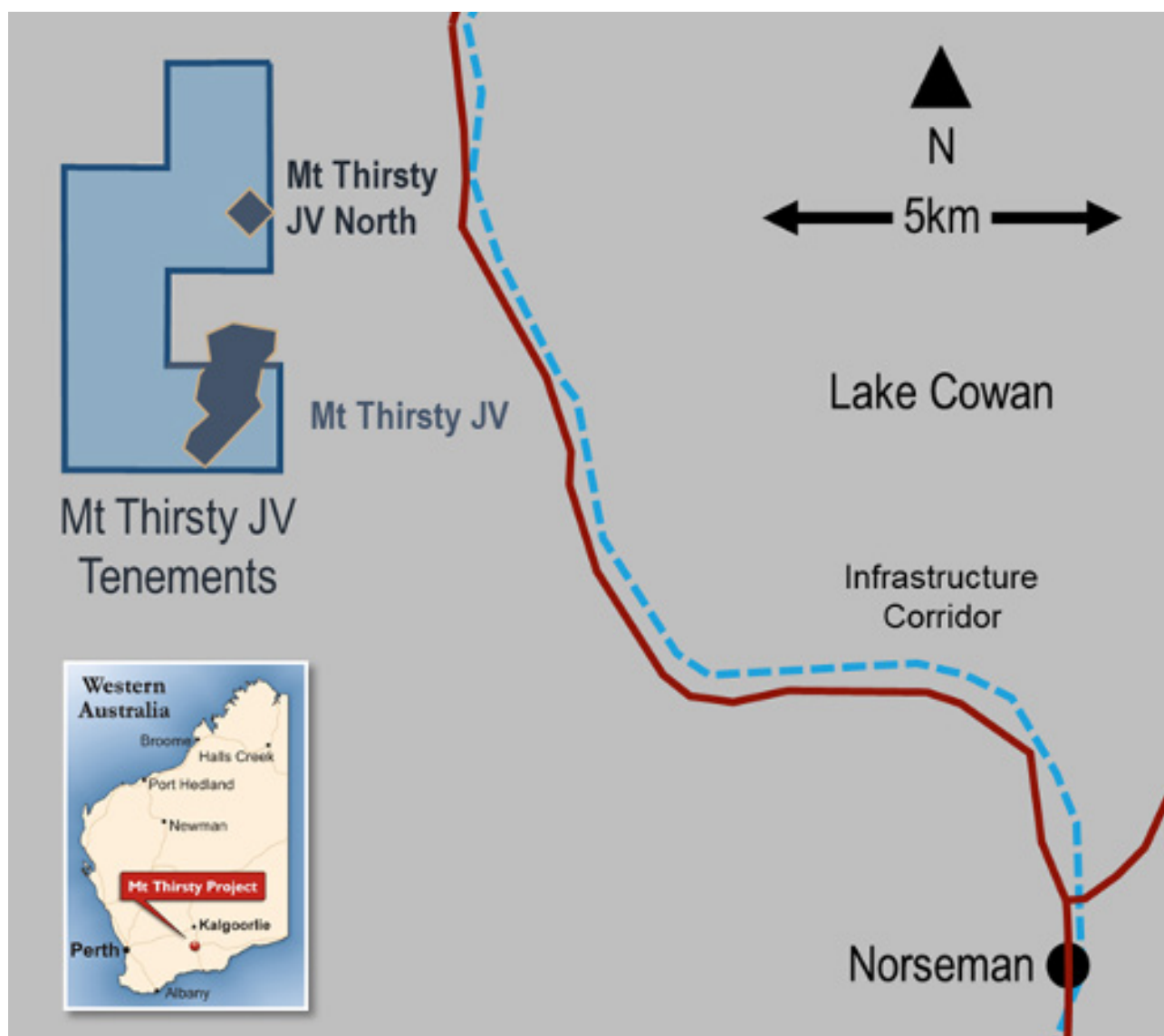


Figure 4 - Mount Thirsty project map

2021 MINERAL RESOURCES AND ORE RESERVES STATEMENT

SUMMARY

This statement represents the Mineral Resources and Ore Reserves (MROR) for Barra Resources Limited (Barra or the Company) as at 30 June 2021.

This MROR statement has been compiled and reported in accordance with the guidelines of the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code) also represents the first MROR statement for the Company.

This statement is reviewed and updated annually in accordance with Section 15 of the 2012 JORC Code. The nominated annual review date for this MROR statement is 30 June 2021. The information in this statement has been extracted from the relevant reports as indicated below in each Mineral Resource table.

MINERAL RESOURCES

As at 30 June 2021 the Company's Mineral Resources are:

Burbanks Gold Project, Western Australia (Barra 100%)

Deposit	cut-off g/t Au	Indicated			Inferred			Total			Refer ASX: BAR
		kt	grade g/t Au	oz	kt	grade g/t Au	oz	kt	grade g/t Au	oz	
Christmas Open Pit	1.0	5.7	6.2	1,100	4.0	7.8	1,050	9.7	6.9	2,150	23/9/19
Birthday Gift U/G	2.5	180	6.0	34,750	325	5.6	58,500	505	5.7	93,250	23/9/19
Main Lode	1.0	106	2.8	9,700	254	2.5	20,200	360	2.6	29,900	30/10/18
Burbanks North	1.0				360	1.8	20,400	360	1.8	20,400	2/8/19
Total	1.0/2.5	291	4.9	45,550	943	3.3	100,150	1235	3.7	145,700	
All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate figures. For full details of the Mineral Resources refer to ASX announcements as tabulated.											

Table 1 – Burbanks Global Mineral Resources

Phillips Find Gold Project, Western Australia (Barra 100%)

There are no JORC 2012 compliant Mineral Resources to report for the Phillips Find Gold Project.

Mt Thirsty Cobalt Project, Western Australia (Barra 50%)

Deposit and JORC Category	Cut-off (Co%)	Dry Tonnes (Mt)	Co (%)	Ni (%)	Mn (%)
Mt Thirsty Main Indicated	0.06	22.8	0.121	0.53	0.79
Mt Thirsty Main Inferred	0.06	2.5	0.103	0.45	0.66
Mt Thirsty North Inferred	0.06	1.5	0.092	0.55	0.48
Total Mineral Resources	0.06	26.9	0.117	0.52	0.76

Table 2 – Mt Thirsty Mineral Resource Estimate

Riverina Nickel Nickel-Cobalt Project, Western Australia (Barra 30%, Nickel Rights Only)

The Riverina Nickel Project is located 125 kilometres north of Coolgardie in Western Australia. In 2008 the project was sold to Eastern Goldfields Limited with the Riverina Joint Venture (RJV) retaining 100% of the nickel rights only to the project.

The project is owned and operated by Ora Banda Mining Limited (formerly Eastern Goldfields Limited) as a gold project; the RJV has no statutory obligations in relation to the project tenements and no near-term plans to explore the project for nickel.

The Martin's Zone Nickel-Cobalt Deposit Mineral Resource (Table 6) was first reported April 2007 in accordance with the 2004 JORC Code (refer to ASX Release dated 30th April 2007 titled 'Activity Report for the Quarter Ended 31 March 2007'. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The original report titled 'Memorandum re: Results from Martin's Zone nickel laterite RC drilling program' was prepared by consultant Mr Anthony Gray (CP) in March 2007.

			2007		
Deposit	Cut-off	Category	Tonnes (t)	Ni (%)	Co (%)
Martin's Zone Oxide Deposit	0.7% Ni	Indicated	2,195,850	1.01	0.06
Total			2,195,850	1.01	0.06

Table 3 – Riverina Mineral Resource Estimate

Comparison with previous year's estimates

The changes compared to previous year's estimates are the addition Burbanks North Mineral Resource at Burbanks and the upgrade of the Mt Thirsty Mineral Resource.

ORE RESERVES

The completion of the Mt Thirsty PFS enabled the estimation of a maiden Ore Reserve for Mt Thirsty:

Deposit and JORC Category	Cut-off (Co%)	Dry Tonnes (Mt)	Co (%)	Ni (%)	Mn (%)
Mt Thirsty Probable Ore Reserve	~0.07	18.8	0.126	0.54	0.80

Table 4 – Mt Thirsty Ore Reserve Estimate

GOVERNANCE SUMMARY

The Mineral Resource estimates listed in this report are subject to Barra's governance arrangements and internal controls.

Barra's Mineral Resource estimates are derived by Competent Person's (CP) with the relevant experience in the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking. Geology models in all instances are generated by Barra staff and are reviewed by the CP. The CP carries out reviews of the quality and suitability of the data underlying the Mineral Resource estimate. Barra management conducts its own internal review of the estimate to ensure that it honours the Barra geological model and has been classified and reported in accordance with the JORC Code.

COMPETENT PERSONS STATEMENT AND DISCLAIMER

Project and Discipline	JORC Section	Competent Person	Employer	Professional Membership
Coolgardie Gold Projects Geology	Exploration Results and Mineral Resources	Gary Harvey	Former Employee of Barra Resources Ltd	MAIG
Birthday Gift and Christmas Pit Resource Estimation	Mineral Resources	Richard Buerger	Mining Plus Pty Ltd	MAIG
Main Lode and Burbanks North Resource Estimation	Mineral Resources	Andrew Bewsher	BM Geological Services Pty Ltd	MAIG
Mt Thirsty Geology	Exploration Results and Mineral Resources	Michael J Glasson	Tasman Resources Ltd; Consultant to MTJV; holds shares in Conico Ltd	MAIG
Mt Thirsty Resource Estimation	Mineral Resources	David Reid	Golder Associates Pty Ltd	MAusIMM
Mt Thirsty Metallurgy	Exploration Results and Ore Reserves	Peter Nofal	AMEC Foster Wheeler Pty Ltd trading as Wood	FAusIMM
Mt Thirsty Mining	Ore Reserves	Frank Blanchfield	Snowden Mining Industry Consultants Pty Ltd	FAusIMM

Table 5 – Competent Persons

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves for the Mt Thirsty Cobalt-Nickel Project and Coolgardie Gold Projects is based on and fairly represents information compiled by the Competent Persons listed in the table above. The Competent Persons have sufficient relevant experience to the style of mineralisation and type of deposits under consideration and to the activity for which they are undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition). For new information, the Competent Persons consent to the inclusion in the report of the matters based on their information in the form and context in which it appears. Previously announced information is cross referenced to the original announcements. In these cases, the company is not aware of any new information or data that materially affects the information presented and that the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

TENEMENTS

The granted tenements as at 30 June 2021 are listed below. New tenements granted during the year are marked with an asterisk (*).

Tenement	Project	Location	Ownership (%)
M15/161	Burbanks	WA	100
P15/5249		WA	100
P15/5412		WA	100
M16/130	Phillips Find	WA	100
M16/133		WA	100
M16/168		WA	100
M16/171		WA	100
M16/242		WA	100
M16/258		WA	100
M16/550		WA	100
P16/2985		WA	100
P16/2986		WA	100
P16/2987		WA	100
P16/2988		WA	100
P16/2998		WA	100
P16/2999		WA	100
P16/3037		WA	100
P16/3038		WA	100
P16/3039		WA	100
P16/3040		WA	100
P16/3041		WA	100
P16/3042		WA	100
P16/3043		WA	100
P16/3084		WA	85
P16/3085		WA	85
P16/3086		WA	85
P16/3087		WA	85
P16/3088		WA	100
E63/1267	Mt Thirsty	WA	50
E63/1790		WA	50
L63/80		WA	50
L63/81		WA	50
L63/91		WA	50
P63/2045		WA	50
R63/4		WA	50
E30/333	Riverina (Nickel Rights Only)	WA	30
M30/256		WA	30



DIRECTORS REPORT

The Directors present their report together with the financial report on Barra Resources Limited ("Barra" or "the Company") and its subsidiaries ("Group" or "Consolidated Group") for the year ended 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

DETAILS OF DIRECTORS

The names and particulars of the Directors of the Company holding office during the financial year and at the date of this report are:

MICHAEL (MIKE) EDWARDS BBus Economics & Finance; BSc Geology

Non-Executive Chairman
Appointed 18 August 2021

Mr Edwards is a Geologist and Economist with over 25 years' experience in senior management roles within both the public and private sectors. After completing a Bachelor of Business (Economics & Finance), Mr Edwards worked for Barclays Australia in their Corporate Finance department before returning to university to complete a Bachelor of Science (Geology). Mr Edwards then spent eight years as an Exploration and Mine Geologist, principally working in Australia with a focus on Archaean gold and base metals. Mr Edwards has been involved in numerous ASX listings, identifying early-stage opportunities and incubating emerging companies by raising initial seed capital and supporting through the initial public offering process. Mike is currently Non-Executive Chairman of Firefly Resources (ASX: FFR) and Non-Executive Director of Auroch Minerals Ltd (ASX: AOU). Mr Edwards holds a Bachelor of Business (Economics & Finance) from Curtin University of Technology, and a Bachelor of Science (Geology) from the University of Western Australia.

CHRISTOPHER (CHRIS) HANSEN BSc Geology; MSc Mineral Economics

CEO & Managing Director
Appointed 17 May 2021

Mr Hansen is a multidisciplinary metals and mining professional, combining core technical fundamentals with a strong finance and project development mind-set. Having initially focused on building a solid technical foundation with industry majors such as Fortescue Metals Group and Barrick Gold, Mr Hansen later joined a preeminent London based mining private equity fund developing robust investment skills, project development expertise, market knowledge and strong industry relations. Since returning to Australia, Mr Hansen has leveraged his experience in both public and private markets, most recently having led mining business development activities for one of Australia's largest private investment groups. Mr Hansen holds a BSc in Geology from the University of Auckland, and an MSc in Mineral Economics from Curtin University.

JONATHAN (JON) YOUNG BCom; CA; FFin

Non-Executive Director
Appointed 5 January 2015

Mr Young holds a Bachelor of Commerce Degree from the University of Western Australia and is a member of the Chartered Accountants Australia and New Zealand. For nearly 30 years, Mr Young has worked in the financial markets and is currently Director, Wealth Management with Canaccord Genuity Financial Limited. For 12 years, until the sale of the underground mining contractor Barminco Limited in August 2007, Jon served as Non-executive Chairman of the Barminco Group of companies, including Barminco Limited where he continued to serve as an alternate director until November 2018 when Barminco was acquired by Ausdrill Limited. Mr Young is Chairman of Barra's major shareholder, FMR Investments Pty Ltd (formerly Barminco Investments Pty Ltd).

DETAILS OF DIRECTORS(CONTINUED)

GLENN POOLE BSc Geology & Geography; MBA

Non-Executive Director

Appointed 18 August 2021

Mr Poole is a Geologist with close to 15 years' experience in exploration and production environments, having principally worked within orogenic gold systems for several major mining companies in Western Australia. Mr Poole brings extensive experience in structurally controlled narrow vein gold and sulphide-associated gold deposits. Mr Poole has previously held senior management roles with major Australian gold producer, Northern Star, during which time, Mr Poole played a pivotal role in the identification and definition of new ore resources and mining fronts at both the Paulsens and Kundana operations. Most recently Mr Poole was the Senior Geologist at Firefly Resources (ASX: FFR), principally responsible for setting exploration strategy and leading the definition of the maiden JORC 2012 resource at Yalgoo. Mr Poole holds a Bachelor of Science (Geology & Geography) from The University of Otago, and a Master of Business Administration from La Trobe University.

GRANT MOONEY BBus; CA

Non-Executive Director and Company Secretary

29 November 2002 to 18 August 2021

Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. He has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance.

Currently, Mr Mooney serves as a Director and Company Secretary to several ASX listed companies across a variety of industries including technology and resources. He is a Director of ASX listed resource companies Talga Resources Limited, Accelerate Resources Limited, Riedel Resources Limited, Aurora Labs Limited and Gibb River Diamonds Limited and is a director of wave energy technology developer Carnegie Clean Energy Limited. Mr Mooney is a member of Chartered Accountants Australia and New Zealand.

GARY BERRELL BEc (Hons)

Non-Executive Chairman

22 March 2005 to 18 August 2021

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

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by Directors in the three years immediately before the end of the financial year are as follows:

Director's name	Company	Period of Directorship
Mike Edwards	Norwood Systems Limited Auroch Minerals Limited Firefly Resources Limited DeMem Limited	Jan 2015 to present Sep 2020 to present Oct 2019 to present April 2017 to present
Chris Hansen	Raiden Resources Limited Auroch Minerals Limited	22 Aug 2018 to 25 Mar 2019 4 Oct 2019 to 1 Oct 2020

DIRECTORS' SHARE AND OPTION HOLDINGS

At the date of this report, the direct and indirect interest of the Directors in the shares and options of the Company were:

Director's name	ORDINARY SHARES Number	OPTIONS (UNLISTED) Number	PEFORMANCE RIGHTS (UNLISTED) Number
Mike Edwards	-	-	7,500,000
Chris Hansen	-	24,000,000	6,000,000
Glenn Poole	-	-	12,000,000
Jon Young	8,587,249	6,000,000	-

Principal Activities

The Group's principal activity is gold, nickel and cobalt exploration and development.

Operating Results

The loss from ordinary activities after income tax of the Group for the year ended 30 June 2021 was \$848,135 (2020: \$785,903 loss).

Future Developments

The Group intends to continue mineral exploration & exploitation activities while considering new project acquisitions.

Environmental Regulation

The Group is required to carry out its activities in accordance with the Mining Laws and Regulations in the areas in which it undertakes its exploration activities. The Group is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

Dividends

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

REVIEW OF OPERATIONS

The following activities were undertaken by the Group during the financial year ended 30 June 2021:

BURBANKS PROJECT (Coolgardie, Western Australia)

- Completion of a 5,000 metre reverse circulation (RC) and diamond drill program targeting the down-plunge extensions of high-grade mineralisation at Main Lode and a newly identified zone of mineralisation previously defined by RC drilling in 2019 (ASX:BAR 13 January 2021). Significant intercepts included:
 - BBDD020: 3.2m @ 8.7g/t Au from 160.6m;
 - BBDD021: 2.7m @ 9.1g/t Au from 180.7m; and
 - BBDD020: 1.6m @ 14.52g/t Au from 139.4m.
- Receipt of the respective open pit and underground mining approvals for both Burbanks North and Main Lode from the Department of Mines, Industry Regulation and Safety (DMIRS) (ASX:BAR 3 November 2020; ASX:BAR 25 February 2021).
- Commencement of Stage I Trial Mining activities with Joint Venture partner FMR Investments Pty Ltd, including the establishment of the underground portal and all essential services, including power, water and ventilation. At the end of the June quarter underground decline development was over 65% complete.

PHILLIPS FIND GOLD PROJECT (Coolgardie, Western Australia)

- Completion of the maiden aircore drilling program along the Diablo Trend (35 holes for 1,543m) targeting the anomalous felsic/mafic footwall contact zone. While no significant intersections (≥ 1.0 g/t Au) were encountered, PFAC411 intersected 11m @ 0.20 g/t Au from 52m (to end-of-hole) along the targeted felsic/mafic footwall contact zone, confirming the footwall zone is mineralised and the likely source of the geochemical (Au) anomalies at surface (ASX:BAR 30 April 2021).
- Completion of an extensional and infill aircore drill program at Truth (98 holes for 1,771m) following up on several anomalous trends identified during the 2018 program. While no significant (≥ 1.0 g/t Au) intersections were encountered several low-level gold anomalies continued to be encountered (ASX:BAR 30 April 2021).

MT THIRSTY COLBALT PROJECT (50% owned – Norseman, Western Australia)

- Over the course of the financial year direct project expenditure for the MTJV reverted to a minimum while the partnering strategy was pursued as planned.
- In the interim Native Title negotiations with the Ngadju Traditional Owners are at an advanced stage and no impediments to an agreement are currently anticipated
- The Joint-Venture is currently considering several optimisation options for the previously completed PFS, including the option of producing cobalt and nickel sulphate products

RIVERINA NICKEL PROJECT (Menzies, Western Australia)

- No activity was conducted during the period.

CORPORATE

- 3 September 2021, the Company issued 113,529,412 shares following a share placement at \$0.017 per share to raise \$1,930,000 before costs.
- 18 August 2021, Mr Mike Edwards was appointed as a Non-Executive Chairman and Mr Glenn Poole was appointed as a Non-Executive Technical Director. Mr Poole will become the Executive Technical Director and Chief Geologist by no later than 17 November 2021. Mr Gary Berrell and Mr Grant Mooney resigned as Directors on the same date as part of the continued Board renewal process.
- 10 May 2021, the Company announced the appointment of Mr Christopher Hansen as the Chief Executive Officer and Managing Director;
- 28 October 2020, the loan to Meteore Metals Pty Ltd was reported as repaid. A total of \$407,090 was received including interest; and
- 10 September 2020, the Company announced a fully committed share placement to institutional, sophisticated and professional investors raising a total of \$1,483,755 before expenses. A total of 78,092,361 ordinary shares were issued at \$0.019 cents per share.

Company Performance

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the five years to 30 June 2021:

	2021	2020	2019	2018	2017
	\$	\$	\$	\$	\$
Revenue	138,480	81,076	43,071	71,692	83,265
Net loss before tax	(928,020)	(889,108)	(1,101,043)	(1,641,263)	(1,436,648)
Net loss after tax	(848,135)	(785,903)	(1,060,733)	(1,599,607)	(1,436,648)

	2021	2020	2019	2018	2017
Share price at start of year (cents)	1.6	2.2	4.8	6.3	4.8
Share price at end of year (cents)	1.8	1.6	2.2	4.8	6.3
Shares on issue at end of year	677,608,101	596,515,740	538,890,740	473,747,883	423,747,883
Market capitalisation at end of year (undiluted)	\$12,196,946	\$9,544,252	\$10,422,453	\$22,739,898	\$26,961,166
Basic loss per share (cents)	(0.13)	(0.14)	(0.20)	(0.35)	(0.35)
Diluted loss per share (cents)	(0.13)	(0.14)	(0.20)	(0.35)	(0.35)

Significant Changes in the State of Affairs

There was no significant change in the state of affairs of the Group during the financial year.

Significant Events Subsequent to End of Year

On 18 August 2021, the Company issued an additional 19,500,000 performance rights to new Directors which will be subject to approval at the Company's forthcoming Annual General Meeting.

On 3 September 2021, the Company raised \$1.93M from a placement to professional and sophisticated investors. In addition, the Company has received \$0.22M commitments from Director participation which will be subject to approval at the Company's forthcoming Annual General Meeting.

Other than this, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Share options

During the financial year and to the date of this report there were 45,500,000 unlisted employee and director or past director options were on issue.

At the date of this report, the following options are outstanding in respect of unissued ordinary shares in Barra:

NUMBER OF SHARES UNDER OPTIONS	EXERCISE PRICE	EXPIRY DATE
21,500,000	\$0.035	19 November 2023
8,000,000	\$0.035	10 May 2023
8,000,000	\$0.045	10 May 2023
8,000,000	\$0.065	10 May 2024

During the year, 3,500,000 options were issued to employees under the Employee Incentive Option Scheme (ESOP), and 18,000,000 issued to Directors following shareholder approval at Annual General Meeting. An additional 8,000,000 options with an exercise price of \$0.035, 8,000,000 options with \$0.045 exercise price and 8,000,000 options with \$0.065 exercise price were issued upon appointment of the CEO/Managing Director. During the year 8,000,000 options with \$0.08 exercise price, 8,000,000 options with \$0.09 exercise price, 4,000,000 options with \$0.10 exercise price and 3,000,000 with an exercise price of \$0.03 expired unexercised. The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

Performance Rights

Details of performance rights granted as compensation to Directors and Key Management Personnel during the current year:

GRANT DATE	TYPE	NUMBER GRANTED	VALUE EACH	TOTAL VALUE
10 May 2021	BARAH	3,000,000	\$0.024	\$72,000
10 May 2021	BARAI	3,000,000	\$0.016	\$48,000

Indemnifying Officers or Auditor

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all Executive officers of the Company and related body corporate against any liability incurred in the course of their duties as a Director, Secretary or Executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the amount of the premium.

The Company has not indemnified or agreed to indemnify the auditor of the Company or of any related body corporate against a liability incurred as the auditor.

Directors' Meetings

There were thirteen (13) Directors' meetings held during the financial year ended 30 June 2021. The names of Directors who held office during the financial year and their attendance at Board meetings is detailed below:

DIRECTOR	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND
Mike Edwards (appointed 18 August 2021)	-	-
Chris Hansen (appointed 17 May 2021)	2	2
Glenn Pool (appointed 18 August 2021)	-	-
Jon Young	13	13
Gary Berrell (resigned 18 August 2021)	13	13
Grant Mooney (resigned 18 August 2021)	13	13
Sean Gregory (resigned 8 October 2020)	4	4

There were no (0) circular resolutions passed by the Board of Directors during the financial year.

As at the date of this report an Audit Committee of the Board of Directors did not exist due to the Directors of the Board having a close involvement in the operations of the Company. There are no other sub-committees of the Board.

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' Report, details the amount and nature of remuneration of each member of the Key Management Personnel of the Company. Other than Directors, there were no Executive officers of the Company included in Key Management Personnel during the year.

Remuneration Policy

The remuneration policy is to provide a fixed remuneration component, performance related bonus and a specific equity-related component. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning executives' objectives with shareholder and business objectives.

REMUNERATION REPORT (AUDITED) (CONTINUED)

The remuneration policy in regards to settling terms and conditions for any Executive Directors has been developed by the Board taking into account market conditions and comparable salary levels for companies of similar size and operating in similar sectors.

The Board reviews the remuneration packages of all key management personnel on an annual basis. The maximum remuneration of Non-Executive Directors is to be determined by Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. At present, the maximum aggregate remuneration of Non-Executive Directors is \$400,000 per annum. The apportionment of Non-Executive Director Remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director.

Remuneration for certain Non-Executive Directors is linked to specific performance criteria. Non-Executive Chairman Mike Edwards and Non-Executive Director Glenn Poole have agreements with the company subject to shareholder approval at the upcoming Annual General Meeting. The performance criteria relate to the announcement of a minimum of 250,000 ounces & 350,000 ounces of inferred, indicated and or measured resources at a minimum gold grade of 1.5g/t on one or more tenements held by the company. A third criteria is the volume weighted average market price of Company's shares on ASX being at least \$0.06 for over 20 consecutive days.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payment to the Non-Executive Directors and reviews their remuneration on an individual basis, based on market practices, duties and accountability. Independent external advice is sought when required. Remuneration is not linked to the performance of the Group.

The Company is a listed company with most of its funds allocated to specific exploration and new business development activities. Historically, the Board has chosen to issue options to executives as a key component of their remuneration, in order to retain the services of the executives. The Board considers that each Key Management Personnel's experience in the resources industry will greatly assist the Group in progressing its projects to the next stage of development and the identification of new projects.

Other than performance rights for meeting certain targets for the CEO & Managing Director, and options vested after 1 and 2 years of service, there are no service or performance criteria on the options granted to Key Management Personnel as, given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered the performance of the Key Management Personnel and the performance and value of the Company are closely related. The Board has a policy of granting options to key management personnel with exercise prices above the respective share price at the time that the options were agreed to be granted. As such, options granted to Key Management Personnel will generally only be of benefit if the Key Management Personnel perform to the level whereby the value of the Company increases sufficiently to warrant exercising the options granted. Given the stage of development of the Company and the high-risk nature of its activities, the Board considers that the prospects of the Company and resulting impact on shareholder wealth are largely linked to the success of this approach, rather than by referring to current or prior year earnings.

Executives receive a superannuation guarantee contribution required by the Government, which is currently 10% up to a maximum threshold and do not receive any other retirement benefit. The Directors are not entitled to any termination benefits.

The Board does not impose any restrictions in relation to a person limiting his or her exposure to the risk in relation to the options issued by the Company.

Service Agreements

Non-Executive Chairman Mike Edwards has been appointed commencing 19 August 2021 on an annual salary of \$50,000 plus statutory superannuation. In addition, there are long term incentives that are subject to shareholder approval at the upcoming Annual General Meeting. The performance criteria relate to:

- minimum 250,000 ounces of inferred, indicated and or measured resources at a minimum gold grade of 1.5g/t (open pit) and 3.0g/t (underground) on one or more tenements held by the company (1,750,000 performance rights)
- minimum 350,000 ounces of inferred, indicated and or measured resources at a minimum gold grade of 1.5g/t (open pit) and 3.0g/t (underground) on one or more tenements held by the company. (1,750,000 performance rights)
- volume weighted average market price of Company's shares on ASX being at least \$0.06 for over 20 consecutive days (4,000,000 performance rights)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Service Agreements (continued)

CEO & Managing Director Chris Hansen has a letter of appointment commencing on 10 May 2021. The letter provides for a base salary of \$250,000 per annum inclusive of statutory superannuation, as well as options and performance rights for meeting certain targets. The performance criteria relate to:

- Corporate Rejuvenation which includes any two of the following: (i) Appointment of 2 new Non-Executive Directors, (ii) corporate rebranding and (iii) acquisition of new mineral asset (3,000,000 performance rights)
- volume weighted average market capitalisation of Company's shares on ASX being at least \$30 million for over 30 consecutive days asset (3,000,000 performance rights)

Non-Executive Director Jon Young has an Employee Services Agreement for no fixed term commencing on 5 January 2015. The Contract provides for a Director's fee of \$45,000 per annum plus statutory superannuation. From 1 March 2020, Mr Youngs's pay was reduced to nil after Barra completed a business review due to the market disruption caused by COVID-19 resulting in a cutting all overheads to a minimum. From 19 August 2021, the Non-Executive Director fee was set at 36,000 per annum plus superannuation.

Non-Executive Director Glenn Poole has been appointed commencing 19 August 2021 on an annual salary of \$36,000 plus statutory superannuation. Mr Poole will commence as an Executive Technical Director and Chief Geologist on or before 17 November 2021 on an annual salary of \$220,000 inclusive of statutory super at which time his Non-Executive Director pay will cease. In addition, there are long term incentives that are subject to shareholder approval at the upcoming Annual General Meeting. The performance criteria relate to:

- minimum 250,000 ounces of inferred, indicated and or measured resources at a minimum gold grade of 1.5g/t (open pit) and 3.0g/t (underground) on one or more tenements held by the company (3,000,000 performance rights)
- minimum 350,000 ounces of inferred, indicated and or measured resources at a minimum gold grade of 1.5g/t (open pit) and 3.0g/t (underground) on one or more tenements held by the company. (3,000,000 performance rights)
- volume weighted average market price of Company's shares on ASX being at least \$0.06 for over 20 consecutive days (6,000,000 performance rights)

Mooney & Partners Pty Ltd, a company associated with Grant Mooney has a services contract with the Company to provide company secretarial and administrative services to the Company which expired on 1 September 2012 and continues on a month by month basis with one month's termination notice. The Contract provides for an annual fee of \$96,000 per annum but was reduced to \$48,000 per annum plus GST in February 2015. This fee was reduced to \$36,000 per annum plus GST from 1 March 2020.

No key management personnel are entitled to any termination payment apart from remuneration payable up to and including the termination date and any amounts payable relating to accrued leave

Employee Option Plan

On 18 November 2020, the Company adopted an Employee Securities Incentive Plan (ESIP) whereby the Company's employees are given an opportunity to purchase securities of the Company. This includes the grant of options. An option converts into one ordinary share of Barra on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry. During the year 21,500,000 options were issued under the ESOP, no options were exercised and 20,000,000 options expired unexercised. There are presently 21,500,000 options on issue and 25,500,000 performance rights pursuant to the ESOP.

During the financial year, the following share-based payment arrangements were in existence. There are no further service or performance criteria that need to be met in relation to options granted.

GRANT DATE	EXPIRY DATE	GRANT DATE FAIR VALUE	NO OF OPTIONS	VESTING DATE
23 November 2020	19 November 2023	\$0.0164	21,500,000	Immediate
10 May 2021	10 May 2023	\$0.0071	8,000,000	10 Nov 2021
10 May 2021	10 May 2023	\$0.0055	8,000,000	10 May 2022
10 May 2021	10 May 2024	\$0.0058	8,000,000	10 May 2023

REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration

Details of remuneration provided to key management personnel and directors during the financial year are as follows:

DIRECTORS		SHORT-TERM EMPLOYEE BENEFITS		POST- EMPLOYMENT BENEFITS	SHARE- BASED PAYMENT	TOTAL	PERCENTAGE PERFORMANCE RELATED %
		SALARY & FEES \$	BONUS \$	SUPER- ANNUATION \$	OPTIONS & PERFORMAN CE RIGHTS \$		
Chris Hansen (CEO & Managing Director appointed 17 May 2021)	2021	28,992	-	2,754	147,200 ⁽²⁾	178,946	-
Sean Gregory (Non-Executive Director resigned 8 October 2020)	2021	6,000	-	570	-	6,570	-
	2020	301,363	-	21,003	22,278 ⁽²⁾	344,644	6%
Gary Berrell (Non-Executive Chairman)	2021	25,650	-	2,437	98,400 ⁽²⁾	126,487	-
	2020	44,000	-	4,180	-	48,180	-
Grant Mooney ⁽¹⁾ (Non-Executive Director & Company Secretary)	2021	36,000	-	-	98,400 ⁽²⁾	134,400	-
	2020	70,250	-	2,494	-	72,744	-
Jon Young (Non-Executive Director)	2021	-	-	-	98,400 ⁽²⁾	98,400	-
	2020	26,250	-	2,494	-	28,744	-
TOTAL	2021	96,642	-	5,761	442,400	544,803	-
TOTAL	2020	441,863	-	30,170	22,278	494,311	-

(1) Amounts paid to Grant Mooney include director's fees of \$0 (2020: \$26,250) and fees paid to a related party in respect of company secretarial services, totaling \$36,000 + GST (2020: \$44,000 + GST).

(2) Represents the total fair value of options and performance rights expensed during the year.

There are no contracts to which a Director is a party or under which the Director is entitled to a benefit other than as disclosed in the financial report. No director appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

There are no other individuals employed by the Company who meet the definition of key management personnel under the Corporations Act 2001.

REMUNERATION REPORT (AUDITED) (CONTINUED)

KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

Fully paid ordinary shares issued by Barra Resources Limited

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each specified Director is as follows:

SHARES 2021 DIRECTOR	BALANCE AS AT 1 JULY 2020	GRANTED AS REMUNERA TION	RECEIVED ON EXERCISE OF OPTIONS	PURCHASED/ (SOLD)	ON RESIGNATION	BALANCE AS AT 30 JUNE 2021
Chris Hansen (appointed 17 May 2021)	-	-	-	-	-	-
Gary Berrell (resigned 18 Aug 2021)	4,463,585	-	-	-	-	4,463,585
Sean Gregory (resigned 8 October 2020)	-	-	-	-	-	-
Grant Mooney (resigned 18 Aug 2021)	5,358,795	-	-	-	-	5,358,795
Jon Young	8,587,249	-	-	-	-	8,587,249

SHARES 2020 DIRECTOR	BALANCE AS AT 1 JULY 2019	GRANTED AS REMUNERA TION	RECEIVED ON EXERCISE OF OPTIONS	PURCHASED / (SOLD)	ON RESIGNATION	BALANCE AS AT 30 JUNE 2020
Gary Berrell	3,713,585	-	-	750,000	-	4,463,585
Sean Gregory	-	-	-	-	-	-
Grant Mooney	5,108,795	-	-	250,000	-	5,358,795
Jon Young	7,837,249	-	-	750,000	-	8,587,249

Share Options Issued by Barra Resources Limited

The Directors hold 42,000,000 options over ordinary shares in the Company (directly, indirectly or beneficially) at balance date. 20,000,000 Directors options lapsed during the year which had been granted in the 2018 financial year.

Details of share-based payments granted as compensation to Directors and Key Management Personnel during the current or prior year:

OPTIONS 2021 DIRECTOR	BALANCE AS AT 1 JULY 2020	EXERCISED	GRANTED	EXPIRED UNEXERCISED	BALANCE AS AT 30 JUNE 2021	% VESTED	% OF GRANTED FORFEITED
Chris Hansen (appointed 17 May 2021)	-	-	24,000,000	-	24,000,000	0%	0%
Gary Berrell	3,000,000	-	6,000,000	(3,000,000)	6,000,000	67%	50%
Sean Gregory (resigned 8 October 2021)	14,000,000	(3,000,000) ⁽¹⁾	-	(11,000,000) ⁽¹⁾	-	-	-
Grant Mooney	3,000,000	-	6,000,000	(3,000,000)	6,000,000	67%	50%
Jon Young	3,000,000	-	6,000,000	(3,000,000)	6,000,000	67%	50%

⁽¹⁾ Sean Gregory's options on resignation were 14,000,000, and of these 3,000,000 were exercised on 16 November 2020, and the remaining 11,000,000 options expired unexercised on the same date.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Share Options Issued by Barra Resources Limited (continued)

OPTIONS 2020 DIRECTOR	BALANCE AS AT 1 JULY 2019	EXERCISED	EXPIRED UNEXERCISED	BALANCE AS AT 30 JUNE 2020	% VESTED	% OF GRANTED FORFEITED
Gary Berrell	6,000,000	-	(3,000,000)	3,000,000	100%	50%
Sean Gregory	14,000,000	-	-	14,000,000	100%	0%
Grant Mooney	6,000,000	-	(3,000,000)	3,000,000	100%	50%
Jon Young	6,000,000	-	(3,000,000)	3,000,000	100%	50%

There has been no alteration of the term and conditions of the above share-based payment arrangements since grant date other than a revised contract for Sean Gregory, which included amended terms for the third tranche of options, being 6,000,000 exercisable at \$0.03 (was \$0.10) by 16 November 2019. These options only vest after 24 months of continuous employment being 16 November 2019.

Value of options issued to Directors

During the year ended 30 June 2021, 42,000,000 options were issued to Directors. A further \$319,870 was expensed during the year in line with vesting conditions.

Performance Rights

During the financial year and to the date of this report there were 6,000,000 performance rights were on issue.

At the date of this report, the following performance rights are outstanding in respect of unissued ordinary shares in Barra:

DIRECTOR	BALANCE AS AT 1 JULY 2020	GRANTED AS REMUNERATION	BALANCE AS AT 30 JUNE 2021	% VESTED	% OF GRANTED FORFEITED
Chris Hansen	-	6,000,000	6,000,000	0%	0%

Details of performance rights granted as compensation to Directors and Key Management Personnel during the current or prior year:

GRANT DATE	TYPE	NUMBER GRANTED	VALUE EACH	TOTAL VALUE
10 May 2021	BARAH	3,000,000	\$0.024	\$72,000
10 May 2021	BARAI	3,000,000	\$0.016	\$48,000

Value of performance rights issued to Directors

During the year ended 30 June 2021, 6,000,000 performance rights were issued to Directors. During the year \$14,519 was expensed during the year in line with vesting conditions.

END OF REMUNERATION REPORT

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-Audit Services

There were no non-audit services provided by the Company's auditor during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 31 and forms part of this Directors' Report for the year ended 30 June 2021.

Signed on 15 September 2021 in accordance with a resolution of the Board, made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the Directors:



Mike Edwards

Non-Executive Chairman

DISCLAIMER

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken based on interpretations or conclusions contained in this report will therefore carry an element of risk.

This report contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this report. No obligation is assumed to update forward-looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

COMPETENT PERSONS' STATEMENTS

Project and Discipline	JORC Section	Competent Person	Employer	Professional Membership
Coolgardie Gold Projects Geology	Exploration Results and Mineral Resources	Gary Harvey	Former employee of Barra Resources Ltd	MAIG
Birthday Gift and Christmas Pit Resource Estimation	Mineral Resources	Richard Buerger	Mining Plus Pty Ltd	MAIG
Main Lode and Burbanks North Resource Estimation	Mineral Resources	Andrew Bewsher	BM Geological Services Pty Ltd	MAIG
Mt Thirsty Geology	Exploration Results and Mineral Resources	Michael J Glasson	Tasman Resources Ltd; Consultant to MTJV; holds shares in Conico Ltd	MAIG
Mt Thirsty Resource Estimation	Mineral Resources	David Reid	Golder Associates Pty Ltd	MAusIMM
Mt Thirsty Metallurgy	Exploration Results and Ore Reserves	Peter Nofal	AMEC Foster Wheeler Pty Ltd trading as Wood	FAusIMM
Mt Thirsty Mining	Ore Reserves	Frank Blanchfield	Snowden Mining Industry Consultants Pty Ltd	FAusIMM

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves for the Mt Thirsty Cobalt-Nickel Project and Coolgardie Gold Projects is based on and fairly represents information compiled by the Competent Persons listed in the table above. The Competent Persons have sufficient relevant experience to the style of mineralisation and type of deposits under consideration and to the activity for which they are undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition). For new information, the Competent Persons consent to the inclusion in the report of the matters based on their information in the form and context in which it appears. Previously announced information is cross referenced to the original announcements. In these cases, the company is not aware of any new information or data that materially affects the information presented and that the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Barra Resources Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
15 September 2021



M R Ohm
Partner

hlb.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2021

	NOTE	30 JUNE 2021 \$	30 JUNE 2020 \$
Government funding	5	111,050	68,000
Other income	5	27,430	13,076
Total Revenue		138,480	81,076
Write-off of exploration and evaluation costs	16	(236,213)	(154,767)
Employee benefits expense		(100,414)	(439,987)
Depreciation expense		(77,759)	(10,446)
Consulting expenses		(114,680)	(145,376)
Marketing costs		(6,721)	-
Finance charges		7,587	(53,266)
Administration expenses		(203,312)	(144,614)
Share-based payment expense	21	(334,388)	(22,278)
Share revaluations		(600)	550
Total expenses		(1,066,500)	(970,184)
Loss before income tax expense		(928,020)	(889,108)
Income tax benefit	7	79,885	103,205
Loss for the year		(848,135)	(785,903)
Total Comprehensive Loss for the Year		(848,135)	(785,903)
Earnings Per Share			
Basic loss per share (cents per share)	29	(0.13) cent	(0.14) cent
Diluted loss per share (cents per share)	29	(0.13) cent	(0.14) cent

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	NOTE	30 JUNE 2021 \$	30 JUNE 2020 \$
CURRENT ASSETS			
Cash and cash equivalents	10	838,677	383,704
Trade and other receivables	11	5,599	18,294
Prepayments		21,990	9,614
Financial assets	13	-	393,050
TOTAL CURRENT ASSETS		866,266	804,662
NON-CURRENT ASSETS			
Financial assets	13	21,750	22,350
Rental bond	14	15,000	15,000
Intangible assets		2,757	-
Right of use assets	12	40,372	112,485
Property, plant, and equipment	15	5,549	9,926
Exploration and evaluation expenditure	16	12,860,436	12,039,792
TOTAL NON-CURRENT ASSETS		12,945,864	12,199,553
TOTAL ASSETS		13,812,130	13,004,215
CURRENT LIABILITIES			
Trade and other payables	17	55,186	67,072
Lease liability	18	40,372	72,732
TOTAL CURRENT LIABILITIES		95,558	139,804
NON-CURRENT LIABILITIES			
Lease liability	18	-	40,184
Provisions	20	182,500	245,308
TOTAL NON-CURRENT LIABILITIES		182,500	285,492
TOTAL LIABILITIES		278,058	425,296
NET ASSETS		13,534,072	12,578,919
EQUITY			
Issued capital	19	57,743,166	56,400,266
Reserves	21	518,888	537,700
Accumulated losses	22	(44,727,982)	(44,359,047)
TOTAL EQUITY		13,534,072	12,578,919

The Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 30 June 2021

	NOTE	30 JUNE 2021 \$	30 JUNE 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(496,271)	(743,059)
Interest received		16,154	16,099
Government funding		111,050	68,000
Income tax R&D refund received		79,885	103,205
NET CASH FLOWS (USED IN) BY OPERATING ACTIVITIES	23	(289,182)	(555,755)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,395)	(1,012)
Proceeds from disposal of property, plant and equipment		13,000	100
Payments for exploration, evaluation and development expenditure		(1,056,857)	(1,123,306)
Repayment/(loan) to joint venture partner		393,050	(393,050)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(652,202)	(1,517,268)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		1,573,755	1,152,500
Payments for leases		(72,543)	(103,549)
Payments for share issue costs		(104,855)	(42,267)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		1,396,357	1,006,684
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		454,973	(1,066,339)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		383,704	1,450,043
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		838,677	383,704

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	ISSUED CAPITAL	SHARE-BASED PAYMENT RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
	\$	\$	\$	\$
BALANCE AS AT 30 JUNE 2019	55,290,033	802,322	(43,860,044)	12,232,311
Loss for the year	-	-	(785,903)	(785,903)
Total comprehensive loss for the year	-	-	(785,903)	(785,903)
Issue of shares	1,152,500	-	-	1,152,500
Share issue costs	(42,267)	-	-	(42,267)
Expiry of options	-	(286,900)	286,900	-
Expense options	-	22,278	-	22,278
BALANCE AS AT 30 JUNE 2020	56,400,266	537,700	(44,359,047)	12,578,919
Loss for the year	-	-	(848,135)	(848,135)
Total comprehensive loss for the year	-	-	(848,135)	(848,135)
Issue of shares	1,483,755	-	-	1,483,755
Share issue costs	(289,355)	184,500	-	(104,855)
Exercise of options	148,500	(58,500)	-	90,000
Expiry of options	-	(479,200)	479,200	-
Expense options	-	334,388	-	334,388
BALANCE AS AT 30 JUNE 2021	57,743,166	518,888	(44,727,982)	13,534,072

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

for the year ended 30 June 2021

1. Corporate Information

Barra Resources Limited is a for-profit Company limited by shares incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange Limited. Barra Resources Limited registered office and principal place of business is:

Ground Floor, 6 Thelma Street
West Perth 6005
Western Australia

The nature of the operations and principal activities of the Company are gold, nickel and cobalt exploration and development within Australia.

2. Basis of Preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for selected non-current assets, financial assets, which have been measured at fair value as explained in the relevant accounting policies. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The Company is a listed public Company, incorporated in Australia and operating in Australia. The entity's principal activities are detailed in the Directors' Report.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(a) Going Concern

Notwithstanding the fact that the Group incurred an operating loss of \$848,135 for the year ended 30 June 2021, and a net cash outflow from operating activities amounting to \$289,182, the Directors are of the opinion that the Group is a going concern as a total of \$1.93 million (before costs) in equity funding was received on 3 September 2021. Based on the Group's forecast cashflow, the Director's are satisfied the Group's going concern assertion is appropriate.

(b) Statement of compliance

The financial report was authorised for issue on 15 September 2021.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Adoption of New and Revised

Standards and Interpretations applicable to 30 June 2021

In the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. There are no new standards that impact the Group.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2021. There are none which may have a material impact on the Group.

3. Significant Accounting Policies

(a) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. If applicable, bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(b) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of the services of employees up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Defined contribution plans

Contribution to defined contribution superannuation plans are expensed when the employees have rendered services entitling them to the contributions.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables, which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability or asset to the extent that it is unpaid or refundable.

Deferred tax

Deferred tax is provided on all temporary differences at balance date between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences, unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

for the year ended 30 June 2021

(d) Income tax (continued)

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except:

- when it relates to items credited or debited directly to equity in which case the deferred tax is also recognised directly in equity, or
- where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(e) Payables

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

(f) Property, plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment and is calculated on a straight line basis to write-off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Motor Vehicles - 3 years

Office Furniture and equipment 3 - 10 years

(g) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(h) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying value directly.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(i) Revenue recognition**Interest revenue**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Government Grants

Government Grants are recognised when the Company is entitled to the grant.

(j) Share-based payments**Equity settled transactions:**

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model, further details of which are given in Note 33.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Barra Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 28).

(k) Exploration and evaluation expenditure

Exploration and evaluation expenditure costs are accumulated in respect of each separate area of interest. Exploration and evaluation costs are carried forward where:

- the right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or
- where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

for the year ended 30 June 2021

(k) Exploration and evaluation expenditure (continued)

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

These assets are considered for impairment on a six-monthly basis, depending on the existence of impairment indicators including:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the company has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Accumulated costs in relation to an abandoned area are written off in full against profit/(loss) in the year in which the decision to abandon the area is made.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is then tested for impairment and the balance is then transferred to development.

(l) Development Costs

Development costs are recognised at cost less accumulated amortisation and any impairment losses. Exploration expenditure is reclassified to development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource are demonstrable.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward development costs are amortised on a units of production basis over the life of the economically recoverable reserves.

Changes in factors such as estimates of proved and probable reserves that affect unit-of production calculations are dealt with on a prospective basis.

(m) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(n) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the cost of removing facilities, abandoning sites/wells and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal and other requirements and technology. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

(n) Provision for restoration and rehabilitation (continued)

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and milling/production facilities is capitalised into the cost of the related asset and depreciated/amortised on the same basis as the related asset, unless the present obligations arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period.

Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(o) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of the control of an arrangement, which exists on when decision about the relevant activities require unanimous consent of the parties sharing control.

When a Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets jointly held;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the relevant standards and interpretations applicable to the particular assets, liabilities, revenue and expenses.

When the Group transacts with a joint operation in which the Group is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's financial statement only to the extent of the other parties' interests in the joint operation.

When the Group transacts with a joint operation in which the Group is a joint operator (such as the purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(p) Financial instruments**Debt and equity instruments**

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements.

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other 'financial liabilities'. The Company only holds other financial liabilities, including borrowings. Other financial liabilities are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost, with interest expense recognised on an effective yield basis. Financial liabilities are recognised when it is extinguished, discharged, cancelled or expires.

for the year ended 30 June 2021

(p) Financial Instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instruments, or, where appropriate, a shorter period.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

They are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows.

The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under AASB 139.

(p) Financial Instruments (continued)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

for the year ended 30 June 2021

(p) **Financial Instruments (continued)**

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(q) **Performance obligations**

The service contracts in this category include contracts with either a single or multiple performance obligations. The Group considers that the services provided meet the definition of a series of distinct goods and services as they are (i) substantially the same and (ii) have the same pattern of transfer (as the series constitutes services provided in distinct time increments (e.g., monthly or annual services)) and therefore treats the series as one performance obligation.

(r) **Impairment of assets**

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of comprehensive income immediately.

(s) **Leased assets**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease of, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option where the exercise of the option is reasonable certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index rate are expensed in the period to which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest rate method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Barra Resources Limited.

(u) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Exploration and evaluation expenditure

The Group is currently capitalising exploration and evaluation expenditures on various tenements until such time as production is commenced or the area of interest is deemed unlikely to yield benefits either through successful exploitation or sale, at which stage the costs will be recognised in profit or loss.

During the year, the Directors conducted a review to determine the existence of any indicators of impairment in accordance with AASB 6 "Exploration for and Evaluation of Mineral Resources". Based on this review, the carrying value of capitalised exploration assets was impaired by \$236,213 (2020: \$154,767).

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Provision for rehabilitation costs

Upon cessation of production and exploration activities, the Group will have a statutory requirement to restore disturbed sites through earthmoving, capping and bunding, and reseeded work. The Group has made an estimation of the costing rates and disturbed hectares to calculate a rehabilitation provision as at 30 June 2021. In addition, the discount rate and risk rate used in the calculation are subject to estimation.

Share-based Payments

The Company measures the cost of equity-settled transactions and cash-settled share-based payments with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at the grant date is determined using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the instruments were granted and the assumptions detailed in Note 33.

The Company measures performance rights with non-market vesting conditions by reference to the value of the performance rights at the date that they were granted. The fair value at the grant date is determined using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the instruments were granted, and the assumptions detailed in Note 33.

The Company measures performance rights with market based vesting conditions by reference to the value of the performance rights at the date that they were granted. The fair value at the grant date is determined using the barrier up-and-in trinomial pricing model with a Parisian barrier adjustment, taking into account the performance rights conditions.

5. Revenue from Ordinary Activities

Other Income

Interest received from other parties	15,612	12,985
Profit on sale of property, plant and equipment	11,818	91
Total Other income	27,430	13,076

Government funding

Cashflow boost	50,000	50,000
Jobkeeper payments	61,050	18,000
Total Government funding	111,050	68,000
Total Revenue	138,480	81,076

6. Loss from Ordinary Activities

Loss from ordinary activities before income tax has been determined after:

(a) Other expenses

Depreciation of property, plant and equipment	77,759	10,446
Annual & long service leave charge	(18,271)	39,293

for the year ended 30 June 2021

7. Income Tax**(a) Income tax benefit**

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statement as follows:

(Loss) from continuing operations

Income tax (benefit) calculated at 26% (2020: 27.5%)

Non-deductible expenses in determining taxable loss

Deferred tax not brought to account as a deferred tax asset

Research and development offset

Income tax (benefit)

30 JUNE 2021	30 JUNE 2020
\$	\$
(928,020)	(889,108)
(241,285)	(244,505)
(176,380)	(323,596)
417,665	568,101
(79,885)	(103,205)
(79,885)	(103,205)

(b) Deferred tax liability

Capitalised Exploration expenditure

Other deferred tax liabilities

Less: Deferred tax assets not recognised (tax losses)

3,312,253	3,317,087
16,419	3,397
(3,328,672)	(3,320,484)

(c) Deferred tax assets

Deferred tax assets – temporary differences calculated at 26% (2020:27.5%)

Deferred tax assets – losses⁽¹⁾

Deferred tax liabilities

Deferred tax assets not recognised

30 JUNE 2021	30 JUNE 2020
\$	\$
89,573	101,263
16,597,037	17,163,299
(3,328,672)	(3,320,484)
13,357,938	13,944,078

⁽¹⁾ Included in the losses are capital losses of \$8,334,343 (2020: \$8,334,343).

The deferred tax asset arising from the tax losses has not been recognised as an asset in the statement of financial position because recovery cannot be demonstrated as probable.

The taxation benefit of tax losses not brought to account will only be obtained if:

- (a) assessable income is derived of a nature and of an amount sufficient to enable the benefits to be realised;
- (b) conditions for deductibility imposed by the law are complied with; and
- (c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

8. Remuneration Benefits

The following were key management personnel of the Company during the financial year:

Chris Hansen (*Chief Executive Officer/Managing Director from 17 May 2021*)

Sean Gregory (*Non-Executive Director to 8 August 2020*)

Gary Berrell (*Non-Executive Chairman*)

Grant Mooney (*Non-Executive Director and Company Secretary*)

Jon Young (*Non-Executive Director*)

The aggregate compensation made to key management personnel of the Company is set out below:

	30 JUNE 2021 \$	30 JUNE 2020 \$
Short-term employee benefits	96,642	441,863
Post-employment benefits	5,761	30,170
Share-based payments	442,400	22,278
	<u>554,803</u>	<u>494,311</u>

9. Auditor's Remuneration

Amounts received, or due and receivable by HLB Mann Judd, for audit or review of the financial report

36,856 33,032

Amounts received, or due and receivable by the Mt Thirsty JV auditors, BDO Audit (WA) Pty Ltd, for audit or review of the financial report

- 3,825

36,856 36,857

10. Cash and Cash Equivalents

	30 JUNE 2021 \$	30 JUNE 2020 \$
Cash at bank	111,780	88,528
Short-term deposits	726,897	295,176
	<u>838,677</u>	<u>383,704</u>

Cash at bank earns interest at the floating rates based on the daily bank deposit rates.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

11. Trade and Other Receivables - Current

	30 JUNE 2021 \$	30 JUNE 2020 \$
Trade debtors	3,931	5,882
Other debtors	1,668	12,412
	<u>5,599</u>	<u>18,294</u>

Normal trade terms are 30 days and no interest is charged on overdue amounts. No allowance for expected credit losses has been made as the Directors are of the opinion that all amounts are fully recoverable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

12. Right of Use Assets

Cost
Accumulated depreciation
Total right of use assets

Premises	Equipment	Total
\$	\$	\$
146,448	6,790	153,238
(106,076)	(6,790)	(112,866)
40,372	-	40,372

Reconciliation

Opening Balance 1 July 2020
Depreciation expense
Closing balance 30 June 2020
Depreciation expense
Closing balance 30 June 2021

Premises	Equipment	Total
\$	\$	\$
146,448	6,790	153,238
(38,512)	(2,241)	(40,753)
107,936	4,549	112,485
(67,564)	(4,549)	(72,113)
40,372	-	40,372

13. Financial Assets

Financial Assets –Current

Loans receivable ⁽¹⁾

30 JUNE 2021	30 JUNE 2020
\$	\$
-	393,050

Financial Assets –Non-Current

Mining tenement bond
Equity investments
Total Financial Assets Non-Current
Total Financial Assets

21,000	21,000
750	1,350
21,750	22,350
21,750	415,400

⁽¹⁾ To facilitate the completion of the final stage of the Mt Thirsty Project Pre-Feasibility Study, the Company entered into a loan agreement on 28 October 2019 under which the Company would lend Meteore Metals Pty Ltd (subsidiary of Conico Ltd and JV partner) up to \$500,000 or further amount as agreed, for a term of 3 years. \$393,050 had been loaned to 30 June 2020. This was fully repaid with interest on 14 October 2020.

14. Rental Bond – Non-Current

Rental Bond for West Perth office

30 JUNE 2021	30 JUNE 2020
\$	\$
15,000	15,000

15. Property, Plant & Equipment

Motor Vehicles – at cost
Less accumulated depreciation
Office furniture and equipment - at cost
Less accumulated depreciation

30 JUNE 2021	30 JUNE 2020
\$	\$
34,350	34,350
(34,350)	(34,350)
-	-
210,548	210,450
(204,999)	(200,524)
5,549	9,926
5,549	9,926

Total Property, Plant and Equipment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

15. Property, Plant & Equipment (continued)

Cost

	Motor Vehicles	Office Furniture & Equipment	Total
	\$	\$	\$
Balance at 30 June 2019	34,350	208,032	242,382
Acquisitions	-	3,338	3,338
Disposals	-	(920)	(920)
Balance at 30 June 2020	34,350	210,450	244,800
Acquisitions	-	1,148	1,148
Disposals	(34,350)	(1,050)	(35,400)
Balance at 30 June 2021	-	210,548	210,548

Accumulated Depreciation

	Motor Vehicles	Office Furniture & Equipment	Total
	\$	\$	\$
Balance at 30 June 2019	(34,350)	(193,239)	(227,589)
Disposals	-	920	920
Depreciation expense for year	-	(8,205)	(8,205)
Accumulated depreciation balance 30 June 2020	(34,350)	(200,524)	(234,874)
Disposals	34,350	1,050	35,400
Depreciation expense for year	-	(5,525)	(5,525)
Accumulated depreciation balance 30 June 2021	-	(204,999)	(204,999)
Net Balance at 30 June 2021	-	5,549	5,549

16. Exploration and Evaluation Expenditure

	30 June 2021	30 June 2020
	\$	\$
Mineral exploration and evaluation expenditure costs carried forward (exploration and evaluation phase)		
Balance at beginning of financial year	12,039,792	11,071,253
Less: exploration expenditure written off (a)	(236,213)	(154,767)
Exploration and evaluation expenditure	1,056,857	1,123,306
Total exploration and evaluation expenditure	12,860,436	12,039,792

(a) Relates to capitalised expenditures on tenements that were relinquished during the year or are otherwise not expected to be recouped.

The recovery of the costs of expenditure carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the discovery of commercially viable mineral and other natural resource deposits and their development and exploration or alternatively their sale.

The Company's title to certain mining tenements is subject to Ministerial approval and may be subject to successful outcomes of native title issues (Refer Note 30).

A review of all capitalised exploration and evaluation expenditure is carried out at each reporting date to determine whether impairment indicators are present (Refer Note 4).

for the year ended 30 June 2021

17. Trade and Other Payables

	30 June 2021 \$	30 June 2020 \$
Trade payables	15,260	33,680
Employee entitlements	2,541	9,369
Other	37,385	24,023
	<u>55,186</u>	<u>67,072</u>

The average credit period on purchases of goods is 60 days. No interest is charged on the trade payables for the first 60 days from the date of the invoice. Thereafter, interest is charged at varying rate per supplier on the outstanding balance. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

18. Lease Liability

	Premises \$	Equipment \$	Total \$
Current liabilities	40,372	-	40,372
Non-current liabilities	-	-	-
Total leased assets	<u>40,372</u>	<u>-</u>	<u>40,372</u>

Reconciliation

	Premises \$	Equipment \$	Total \$
Opening balance 1 July 2020	146,448	6,790	153,238
Principal repayments	(38,512)	(1,810)	(40,322)
Closing balance 30 June 2020	107,936	4,980	112,916
Principal repayments	(67,564)	(4,980)	(72,544)
Closing balance 30 June 2021	<u>40,372</u>	<u>-</u>	<u>40,372</u>

19. Issued Capital

	Number of shares	\$
Opening balance 1 July 2019	538,890,740	55,290,033
Share Purchase Plan & shortfall shares 31 October 2019	57,625,000	1,152,500
Less share issue costs	-	(42,267)
Closing Balance 30 June 2020	596,515,740	56,400,266
Placement of shares 17 September 2020	78,092,361	1,483,755
Exercise of options 17 November 2020	3,000,000	148,500
Less share issue costs	-	(289,355)
Closing Balance 30 June 2021	<u>677,608,101</u>	<u>57,743,166</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

20. Provisions - Current

	30 June 2021 \$	30 June 2020 \$
Rehabilitation provision	182,500	177,500
Long service leave provision ⁽¹⁾	-	67,808
	182,500	245,308

⁽¹⁾ Long service leave was paid out during the current year.

Movements in provisions

Movements in each class of provisions during the financial are set out below:

	Rehabilitation \$	Long Service Leave \$
Carrying amount at start of year	177,500	67,808
(Decrease)/Increase in provision recognised	5,000	(67,808)
Carrying amount at end of year	182,500	-

21. Reserves

	30 June 2021 \$	30 June 2020 \$
Equity-settled benefits reserve		
Opening Balance	537,700	802,322
Employee share options expensed	57,400	-
Directors share options expensed	262,470	22,278
Directors Performance rights expensed	14,518	-
Other share options expensed lead manager (ii)	184,500	-
Share options exercised	(58,500)	-
Share options expired unexercised	(479,200)	(286,900)
Total Equity-settled benefits reserve (i)	518,888	537,700

(i) The share option reserve is used to record the value of share options granted to directors and employees as part of the Employee Share Option Plan. Increases in the reserve are recognised on a time basis over the vesting period of the options. Refer to Note 33 for further information.

(ii) The options issued to the lead manager forms part of share issue costs (refer to Note 19).

Share options granted under the Employee Share Option Plan (ESOP)

On 17 November 2016 the Company established an Employee Share Option Plan (ESOP) whereby the Company's employees are given an opportunity to purchase shares in the Company. Each option converts into one ordinary share of Barra on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry. During the year 3,000,000 ESOP options were exercised, 23,000,000 ESOP options expired unexercised and 45,500,000 options were issued. There are presently 45,500,000 options on issue pursuant to the ESOP.

Other Share Options

As at 30 June 2021, the Company has no listed share options on issue (2020: Nil). As at 30 June 2021, the Company has other unlisted options over 15,000,000 ordinary shares, in aggregate expiring between 2 December 2022. (2020: 23,000,000).

for the year ended 30 June 2021

22. Accumulated Losses

	30 June 2021	30 June 2020
	\$	\$
Balance at the beginning of the financial year	(44,359,047)	(43,860,044)
Write back expired unexercised options	479,200	286,900
Net loss	(848,135)	(785,903)
Balance at the end of the financial year	(44,727,982)	(44,359,047)

23. Notes to the Statement of Cash Flows

	30 June 2021	30 June 2020
	\$	\$
Reconciliation of Net Loss to Net Cash Flows used in Operating Activities		
Loss from ordinary activities after income tax	(848,135)	(785,903)
Depreciation expense	5,645	10,446
Amortisation expense	74,870	-
Write-off exploration and evaluation expenses	236,213	154,767
Issue or expense of employee options	334,388	22,278
Payments for leased assets	-	98,660
Revalued investments	(600)	550
Payment for employee entitlements	(17,190)	-
Profit on available-for-sale assets	-	101
Changes in assets and liabilities		
(Increase)/Decrease in other debtors	12,696	(11,801)
(Increase)/Decrease in prepayments	(12,377)	19,286
(Decrease) in trade creditors	(11,884)	(43,506)
(Decrease) in other provisions	(62,808)	(20,633)
Net cash (used in) Operating Activities	(289,182)	(555,755)

24. Statement of Operations by Segment

The Company has adopted AASB 8 Operating Segments which requires operating segments to be identified on the basis of internal reports about components of the Company that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The chief operating decision maker of Barra Resources Limited being the Board of Directors reviews internal reports prepared as financial statements and strategic decisions of the Company are determined upon analysis of these internal reports. During the period, the Company operated predominantly in the business and geographical segment being the minerals exploration sector in Western Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

25. Interest in Joint Operation

The Company has a 50% interest in the Mt Thirsty Joint Venture, which is involved in exploration, evaluation and development of cobalt and nickel in Western Australia.

Share of joint operation results and financial position:

	30 June 2021	30 June 2020
	\$	\$
Current assets	6,409	9,768
Non-current assets	3,491,285	3,478,890
Total assets	3,497,694	3,488,658
Current liabilities	5,724	1,647
Non-current liabilities	12,500	12,500
Total liabilities	18,224	14,147
Loss before tax	(5,040)	(27,436)
Tax	-	-
Loss after tax	(5,040)	(27,436)

26. Related Party Transactions

(a) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 8 to the financial statements.

(b) Transactions with Director related entities

Grant Mooney (Mooney and Partners Pty Ltd) was paid \$36,000 (2020: \$44,000) exclusive of GST for Company Secretarial fees for the financial year ended 30 June 2021. These fees are included in the Directors remuneration as disclosed in the Directors' Report.

(c) Joint Venture interests

The Company has a 50% interest in the assets, liabilities and output of Mount Thirsty Joint Venture (2020: 50%). There were no recharges from the Company to the joint venture during the year (2020: \$262,492).

27. Financial Instruments

(a) Financial risk management objectives and policies:

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2020.

The capital structure of the Group consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

Market risk

The Company does not trade in foreign currency and is not materially exposed to other price risk.

for the year ended 30 June 2021

27. Financial Instruments (continued)**Interest rate risk**

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective average interest rates in classes of financial assets and liabilities. The following table details the exposure to interest rate risk as at year end.

2021	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	FIXED INTEREST RATE \$	FLOATING INTEREST RATE \$	NON- INTEREST BEARING \$	CARRYING AMOUNT \$
<i>Financial Assets</i>					
Cash	0.05%	726,897	82,248	29,532	838,677
Security deposits	0.10%	21,000	-	-	21,000
Receivables	-	-	-	5,999	5,999
Rental Bond	-	15,000	-	-	15,000
Equity investment	-	-	-	750	750
		762,897	82,248	36,281	881,426
<i>Financial Liabilities</i>					
Trade and other payables	-	-	-	51,188	51,188
		-	-	51,188	51,188

2020	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	FIXED INTEREST RATE \$	FLOATING INTEREST RATE \$	NON- INTEREST BEARING \$	CARRYING AMOUNT \$
<i>Financial Assets</i>					
Cash	0.05%	295,177	46,029	42,391	383,597
Security deposits	0.43%	21,000	-	-	21,000
Receivables	-	-	-	18,294	18,294
Rental Bond	-	15,000	-	-	15,000
Equity investment	-	-	-	1,350	1,350
		331,177	46,029	62,035	439,241
<i>Financial Liabilities</i>					
Trade and other payables	-	-	-	67,072	67,072
		-	-	67,072	67,072

The Group is not subject to material interest rate risk sensitivity.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The risk arises principally from cash and cash equivalents and trade and other receivables. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any allowances for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The Group does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

The Group is exposed to interest rate risk through funds on deposit at floating interest rates. The Group manages cash to ensure that the majority of cash is held in higher interest bearing accounts. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the interest rate risk section of this note.

Equity Price risk

The Company is exposed to equity price risks arising from its equity investment. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. To manage its price risk arising from investments in equity securities, the Company monitors the share prices of the investments. The Group is not materially exposed to equity price risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

27. Financial Instruments (continued)

Fair value

The fair value of financial assets and financial liabilities approximate their carrying value. Net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table present the Group's assets and liabilities measured and recognised at fair value at 30 June 2021.

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	\$	\$	\$	\$
2021				
Assets				
Equity investment	750	-	-	750
	750	-	-	750
2020				
Assets				
Equity investment	1,350	-	-	1,350
	1,350	-	-	1,350

Fair values for the listed financial assets above are determined by reference to quoted ASX market prices and therefore there are no unobservable inputs in fair value.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash at bank, finance leases and hire purchase contracts. The Group has appropriate procedures to manage cash flows to ensure that sufficient funds are available to meet its commitments.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	LESS THAN 3 MONTHS	3-12 MONTHS	1-5 YEARS	GREATER THAN 5 YEARS	TOTAL
	\$	\$	\$	\$	\$
2021					
Financial liabilities:					
Trade and other payables	55,188	-	-	-	55,188
	55,188	-	-	-	55,188
2020					
Financial liabilities:					
Trade and other payables	67,072	-	-	-	67,072
	67,072	-	-	-	67,072

for the year ended 30 June 2021

28. Interests in Subsidiaries

	COUNTRY OF INCORPORATION	% EQUITY INTEREST		INVESTMENT	
		2021 %	2020 %	2021 \$	2020 \$
Coolgardie Mining Company Pty Ltd	Australia	100%	100%	121,000	121,000

29. Earnings per Share

	30 JUNE 2021 CENTS	30 JUNE 2020 CENTS
Basic (loss) per share (cent per share)	(0.13)	(0.14)
Diluted (loss) per share (cent per share)	(0.13)	(0.14)

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(Loss)	(848,135)	(785,903)
--------	-----------	-----------

	30 JUNE 2021 NUMBER	30 JUNE 2020 NUMBER
Weighted average number of ordinary shares	659,777,405	577,307,407

The options on issue are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share.

All potential ordinary shares have no material dilutive effect to the earnings per share at balance date.

30. Significant Events Subsequent to Year End

On 18 August 2021, the Company issued an additional 19,500,000 performance rights to new Directors that will be subject to approval at the upcoming Annual General Meeting.

On 3 September 2021, the Company raised \$1.93M from a placement to professional and sophisticated investors. In addition, the Company has received \$0.22M commitments from Director participation which will be subject to approval at the Company's forthcoming Annual General Meeting.

Other than this, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

31. Contingent Liabilities

In June 1992, the High Court of Australia held in the Mabo case that the common law of Australia recognises a form of native title. The full impact that the Mabo decision may have on tenements held by the Company is not yet known. The Company is aware of native title claims that have been lodged with the National Native Title Tribunal ("the Tribunal") over several areas in Western Australia in which the Company holds interests. The native title claims have been accepted by the Tribunal for determination under section 63 (1) of the Native Title Act 1993 (Commonwealth). The Ngadju Native Title claim over Mt Thirsty has been determined.

32. Commitments for Expenditure

These amounts are payable, if required, over various times over the next five years. In addition, royalty payments may be payable if certain conditions are met in the future. At this time, the Directors do not consider the payments to be probable.

Exploration Expenditure Commitments

The Company has minimum statutory commitments as conditions of tenure of certain mining tenements. Whilst these obligations may vary, a reasonable estimate of the minimum commitment projected to 30 June 2020 if it is to retain all of its present interests in mining and exploration properties, are as follows:

	30 June 2021 \$	30 June 2020 \$
Annual commitment	303,480	303,480

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

33. Share-Based Payments

The following options were in existence in the current and comparative reporting periods:

OPTION SERIES	ISSUE DATE	NUMBER	GRANT DATE	EXPIRY DATE	EXERCISE PRICE \$	FAIR VALUE AT GRANT DATE \$
Directors (i)	16 November 2017	7,000,000	16 November 2017	16 November 2020	0.08	0.0226
Directors (i)	16 November 2017	7,000,000	16 November 2017	16 November 2020	0.09	0.0210
Directors (i)	16 November 2017	3,000,000	16 November 2017	16 November 2020	0.10	0.0195
Directors (i)	16 November 2017	6,000,000	16 November 2017	16 November 2020	0.03	0.0195
ESOP (ii)	30 November 2017	1,000,000	30 November 2017	16 November 2020	0.08	0.0205
ESOP (ii)	30 November 2017	1,000,000	30 November 2017	16 November 2020	0.09	0.0189
ESOP (ii)	30 November 2017	1,000,000	30 November 2017	16 November 2020	0.10	0.0176
Directors (iii)	23 November 2020	18,000,000	23 November 2020	19 November 2023	0.035	0.0164
ESOP (iv)	23 November 2020	3,500,000	23 November 2020	19 November 2023	0.035	0.0164
Advisor (v)	3 December 2020	15,000,000	3 December 2020	2 December 2022	0.030	0.0123
Director (vi)	10 May 2021	8,000,000	10 May 2021	10 May 2023	0.035	0.0071
Director (vi)	10 May 2021	8,000,000	10 May 2021	10 May 2023	0.045	0.0055
Director (vi)	10 May 2021	8,000,000	10 May 2021	10 May 2024	0.065	0.0058

- (i) On 16 November 2017, the Company issued 23,000,000 options to Directors or Director related entities under the Employee Share Option Plan. The parcels of options were issued in 1,000,000 parcels with \$0.08, \$0.09 and \$0.10 exercise prices for 3 of the Non-Executive Directors and two parcels of 4,000,000 with \$0.08 and \$0.09 exercise price and one parcel of 6,000,000 options at \$0.10 at the expiry dates as shown in the table above. The risk free rate at grant date was 1.50% and the expected volatility was 75%. During the year ended 30 June 2020, a revised contract for Executive Director Sean Gregory, included amended terms for the third tranche of options, being 6,000,000 exercisable at \$0.03 (previously \$0.10) by 16 November 2020, this change was approved by shareholders on 16 November 2019. During the year 3,000,000 of the \$0.03 options were exercised and the remaining options expired unexercised.
- (ii) On 30 November 2017, the Company issued 3,000,000 options to an employee under the Employee Share Option Plan. The number of options were issued in 3 parcels of 1,000,000 options each at the expiry dates as shown in the table above. The risk free rate at grant date was 1.50% and the expected volatility was 75%. The options expired unexercised.
- (iii) On 23 November 2020, the Company issued 18,000,000 options to Directors following shareholder approval at Annual General Meeting. The number of options were issued of 6,000,000 options each at the expiry dates as shown in the table above. The risk free rate at grant date was 0.25% and the expected volatility was 75%.
- (iv) On 23 November 2023, the Company issued 3,500,000 options to employees under the Employee Share Option Plan. The number of options were issued in each with an expiry dates as shown in the table above. The risk free rate at grant date was 0.25% and the expected volatility was 75%.
- (v) On 3 December 2020, the Company issued options to the Lead Manager of the share placement. The number of options issued were 15,000,000 options at the expiry dates as shown in the table above. The risk free rate at grant date was 0.25% and the expected volatility was 75%.
- (vi) On 10 May 2021, the Company issued options to Christopher Hansen following his appointment as CEO/Managing Director. The number of options were issued in 3 parcels of 8,000,000 options each at the expiry dates as shown in the table above. The risk free rate at grant date was 0.25% and the expected volatility was 75%.

The weighted average remaining contractual life of options at balance date is 756 days (2020: 141 days). There were no

33. Share-Based Payments (continued)**Reconciliation of movements in options**

	2021		2020	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE \$	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE \$
Balance at Beginning of year	26,000,000	0.084	38,000,000	0.082
Granted	60,500,000	0.039	-	-
Expired	(23,000,000)	0.079	(12,000,000)	0.040
Exercised	(3,000,000)	0.030	-	-
Balance at end of year	60,500,000	0.039	26,000,000	0.075

Performance Rights

The following performance rights were in existence in the current and comparative reporting periods:

PERFORMANCE RIGHTS SERIES	ISSUE DATE	NUMBER	GRANT DATE	EXPIRY DATE	FAIR VALUE AT GRANT DATE \$
Tranche 1	10 May 2021	3,000,000	10 May 2021	10 May 2022	0.0240
Tranche 2	10 May 2021	3,000,000	10 May 2021	10 Nov 2022	0.0160

On 10 May 2021, the Company issued performance rights to Christopher Hansen following his appointment as CEO/Managing Director. Performance Rights were issued under the Employee Incentive Plan. The fair value of the equity-settled performance rights granted is estimated as at the date of grant using a barrier up and in option pricing model taking into account the terms and conditions upon which the performance rights were granted.

The performance criteria had not been met at the end of the financial year and relate to:

- Tranche 1 - Corporate Rejuvenation which includes any two of the following: (i) Appointment of 2 new Non-Executive Directors, (ii) corporate rebranding and (iii) acquisition of new mineral asset
- Tranche 2 - volume weighted average market capitalisation of Company's shares on ASX being at least \$30 million for over 30 consecutive days asset

No performance rights were exercised during the financial year.

Reconciliation of movements in performance rights

	2021 NUMBER	2020 NUMBER
Balance at Beginning of year	-	-
Granted	6,000,000	-
Expired	-	-
Exercised	-	-
Balance at end of year	6,000,000	-

1. In the opinion of the Directors of Barra Resources Limited (the 'Company'):
 - a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

This declaration is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors:



MIKE EDWARDS

Non-Executive Chairman

15th day of September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Barra Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Barra Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Refer to Note 16	
In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> , the Group capitalises all exploration and evaluation expenditure, including acquisition costs and	Our procedures included but were not limited to the following: <ul style="list-style-type: none"> - We obtained an understanding of the key processes associated with

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Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying amount of exploration and evaluation expenditure Refer to Note 16</p> <p>subsequently applies the cost model after recognition.</p> <p>Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group and is material to the users of the financial statements.</p>	<p>management's review of the carrying values of each area of interest;</p> <ul style="list-style-type: none"> - We considered the Directors' assessment of potential indicators of impairment; - We obtained evidence that the Group has current rights to tenure of its areas of interest; - We examined the exploration budget for the coming period and discussed with management the nature of planned ongoing activities; - We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; - We substantiated a sample of expenditure incurred to supporting documentation; and - We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Barra Resources Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 September 2021



M R Ohm
Partner

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 13 September 2021.

SPREAD OF HOLDINGS			TOTAL SHAREHOLDERS	TOTAL OPTIONHOLDERS	TOTAL PERFORMANCE RIGHTS HOLDERS
1	-	1,000	169	-	-
1,001	-	5,000	333	-	-
5,001	-	10,000	363	-	-
10,001	-	100,000	1,442	-	-
100,001	-	and over	888	7	3
Number of Holders			3,195	7	3

Number of shareholders holding less than a marketable parcel: 1,137

Substantial Shareholders

SHAREHOLDER NAME	NUMBER OF SHARES
FMR Investments Pty Limited	96,691,490

Voting Rights

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights.

Statement of Quoted Securities

Listed on the Australian Securities Exchange are 791,137,513 fully paid shares.

Company Secretary

The name of the Company Secretary is Grant Jonathan Mooney.

Registered Office

The registered office is at
Ground Floor
6 Thelma Street

West Perth Western Australia 6005

The telephone number is:
(08) 9481 3911

Corporate Governance

The Company's Corporate Governance Statement as at 30 June 2021 as approved by the Board can be viewed at <https://www.barraresources.com.au/corporategovernance>.

Twenty Largest Holders of Each Class of Quoted Equity Securities

ORDINARY FULLY PAID SHARES as at 13 September 2021

SHAREHOLDER NAME	NUMBER OF SHARES	PERCENTAGE OF CAPITAL
FMR INVESTMENTS PTY LIMITED	96,691,490	12.22%
MR LAFRAS LUITINGH	31,600,000	3.99%
MR NORMAN ALEXANDER PARKER & MRS MEGAN INEZ PARKER <PARKER SUPERFUND A/C>	14,500,000	1.83%
CITICORP NOMINEES PTY LIMITED	14,168,151	1.79%
GOLDSTAKE CORPORATION PTY LTD	13,000,000	1.64%
DENLIN NOMINEES PTY LTD	13,000,000	1.64%
JK NOMINEES PTY LTD <THE JK A/C>	13,000,000	1.64%
LAMB FAMILY SUPER FUND PTY LTD <LAMB FAMILY S/F A/C>	9,000,000	1.14%
VALOREM CAPITAL PTY LTD	9,000,000	1.14%
MASSIF HOLDINGS PTY LTD	9,000,000	1.14%
MR ROGER BLAKE & MRS ERICA LYNETTE BLAKE <THE MANDY SUPER FUND A/C>	8,914,130	1.13%
RAGGED HOLDINGS PTY LTD <RAGGED SUPER ACCOUNT>	6,673,958	0.84%
TRE PTY LTD <TIME ROAD SUPERANNUATION A/C>	6,500,000	0.82%
M1NT PROPERTY PTY LTD <THE PATON FAMILY A/C>	6,500,000	0.82%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	5,573,415	0.70%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,196,561	0.66%
GRANBOROUGH PTY LTD <AJ & J KING S/F A/C>	5,000,000	0.63%
JENNINGS SUPER PTY LTD <JENNINGS SUPER FUND A/C>	5,000,000	0.63%
MS ELIF CEREN GUNES	5,000,000	0.63%
MRS OUPRATHAM HULL	4,527,777	0.57%
TOTAL	281,845,482	35.60%

Holders of Securities in an Unquoted Class

Options as at 13 September 2021:

NUMBER OF SHARES UNDER OPTIONS	EXERCISE PRICE	EXPIRY DATE
15,000,000	\$0.030	2 Dec 2022
8,000,000	\$0.035	10 May 2023
8,000,000	\$0.45	10 May 2023
21,500,000	\$0.035	19 Nov 2023
8,000,000	\$0.065	10 May 2024

Performance Rights as at 13 September 2021:

SECURITY CODE	NUMBER OF PERFORMANCE RIGHTS	EXPIRY DATE
BARPR1	3,000,000	10 May 2022
BARPR2	3,000,000	10 Nov 2022
BARPR3	19,500,000	18 Aug 2024



BARRA RESOURCES

ABN 76 093 396 859