



CHAIRMANS UPDATE

APRIL 2017

Dear Investor,

The first quarter of this year has seen the cobalt price rally continue from around US\$15 per pound at year-end to nearly US\$25 per pound by March quarter end. This unrelenting rally, bereft of any meaningful pullbacks, continues to attract the attention of many market spectators and speculators alike. Barra has maintained its share of the attention with good trading volumes supporting our liquidity.

Moving forward at Mt Thirsty

New entrants to the stock are enthusiastic about the growing development credentials of the Mt Thirsty Cobalt Project and we compare and contrast very favourably against the large number of new cobalt listings which are still very much in the exploration stage. In the background, our team has been working hard on the leaching testwork. This work will soon be drawing to a close and we are in the process of appointing a Study Manager to coordinate the next stages of the Scoping Study. This stage will uplift the recoveries data from the leach testwork into theoretical flowsheet designs which in turn will drive financial modelling. We are on target to complete this work in the June quarter.

Gold remains a focus for us

In line with our dual strategy of cobalt development and gold exploration, we were pleased to release highly encouraging gold exploration results from our 100% owned Main Lode Gold Mine at the Burbanks Project, located just south of Coolgardie, WA (see ASX Announcement dated March 14th). Main Lode was last mined in 1913 (approximately 85,900 ounces at 18.3 g/t) before WW1 interrupted. It has laid dormant ever since apart from some sporadic work done by WMC in the late 1940's which returned 160 metres at 16.1 g/t gold from channel sampling of the mineralised structure along the developed, yet unmined, Level 8, located approximately 275 metres below surface. We are now part way through a structured exploration program which is aimed at systematically testing strike and depth of the historical underground mining environment in addition to expanding the boundaries of the known mineralisation around the old workings.

Time to test Main Lode Deeps

In coming weeks, a reconnaissance RC hole will test the depth potential of the mine by targeting an interpreted north-plunging extension to the high-grade system below Level 6 and just north of lowest known mined level, Level 7, about 250m below the surface. After the completion of this RC hole, the Company will start planning for its next drilling campaign 300m north along strike of the recent drilling program. Following this campaign, subsequent phases will then aim to test the vertical extent of the mine environment.

New opportunities abound along strike at Burbanks

Coincident with our activities at Main Lode, we are planning to extend our work at Burbanks North with a comprehensive aircore program to follow-up on our successful drilling program completed in August 2016. There has been historic and sporadic drilling along the Burbanks North corridor with some highly prospective results. We will be testing a strike of approximately 1km along the Burbanks North trend on 25m spaced traverses. There exists excellent potential for the discovery of additional oxide deposits along this trend.



Our overall strategy at Burbanks is to keep pushing north, following the Burbanks Shear, which includes both the Main Lode and Burbanks North structural trends, historically proven to be the key controlling structure for this area. Burbanks will dominate our exploration focus for the majority of 2017. If successful and we identify the size and scale required to mine, we will look to investigate all different scenarios for the most efficient risk/reward development options.

Defining new drill targets at Phillips Find

Following our programs at Burbanks our exploration activities will return to the Phillips Find Project where we already have plans in place for auger geochemistry, target generation and prioritisation. We have previously announced a proposed 20,000m RAB and RC drilling program to test both greenfield and brownfield targets at Phillips Find. The main focus will be at the Phillips Find Mining Centre (PFMC) which has already produced over 30,000 ounces of gold. Up to 10,000m of RC drilling has been earmarked to test all known depth extensions below the existing open-pits.

Our goal is to transform the PFMC into a sustainable mining operation of significant scale and mine life.

Once again, we are very excited by the forthcoming programs at our gold projects and look forward to reporting to you progress on the Mt Thirsty Scoping Study during the June Quarter. On behalf of the team at Barra, I wish you a safe and enjoyable Easter break.

GARY BERRELL
Chairman

Competent Persons Statement

The information in this report which relates to Exploration Results is based on information compiled by Gary Harvey who is a Member of the Australian Institute of Geoscientists and a full-time employee of Barra Resources Limited. Gary Harvey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Gary Harvey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.