ASX ANNOUNCEMENT

24 MAY 2017

# Momentum at Main Lode continues with more drilling success

- **First deep RC drillhole testing depth potential successfully intersects plunging gold structure.**
- **Result validates existing geological interpretation and confirms continuity of host shear and depth potential of the mine; mineralised system remains open**
- **Further drilling planned to continue testing upper levels and strike potential of the Main Lode system**

Barra Resources Limited ('Barra' or the 'Company') is pleased to announce the results of its recent reverse circulation (RC) drill hole program at the historic Main Lode Gold Mine (Main Lode) at its Burbanks Project, located 9km south of Coolgardie, Western Australia.

The Company recently completed its first deep RC hole (BBRC256) aimed to test a target area below the historical mined high-grade zone on Level 6. The target area was based on an interpretation of the historic Main Lode long section which suggested high-grade lodes in the northern section of the mine have a moderate north plunging orientation, and that these lodes may extend at depth (Figure1).

This was successfully achieved with hole BBRC256 intersecting 3.0m @ 1.08g/t Au within the target area, down-plunge of previous mining activity on Level 6, confirming both the continuation of the host shear and that it remains mineralised and open at depth (Figure 2).

Importantly, the mineral assemblage of quartz + carbonate + chlorite + pyrite observed in BBRC256 is indicative of the lower-grade halo proximal to high-grade mineralisation. This alteration halo assemblage was observed in the recent RC drilling program in February which intersected multiple high-grade lodes within the same host shear *(refer: ASX Release dated 14th March 2017)*.

The result of this drill hole is significant as it has increased Barra's knowledge of the Main Lode system, serving to improve our exploration strategy for targeting new high-grade lodes in the future.

The Company's knowledge and confidence in Main Lode continues to improve with every stage of exploration. Drilling programs are currently being planned to follow up depth extensions immediately below our recent successful RC program in February, and to test along strike to the north between Main Lode and Trumpeter.

**ENDS**

**Gary Berrell**
Chairman & CEO
Barra Resources Limited

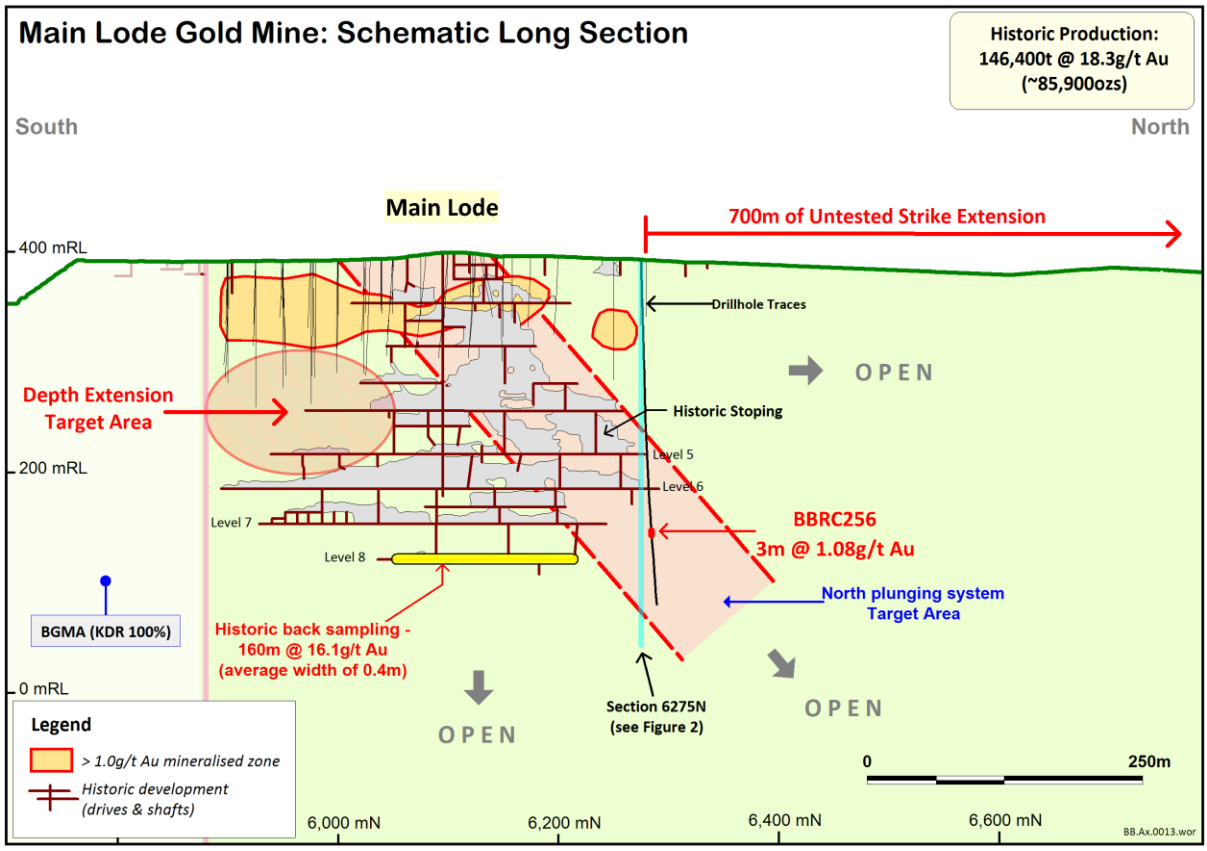


**Figure 1: Main Lode schematic long section showing BBRC256 intersection pierce point within the interpreted north-plunging target area.**

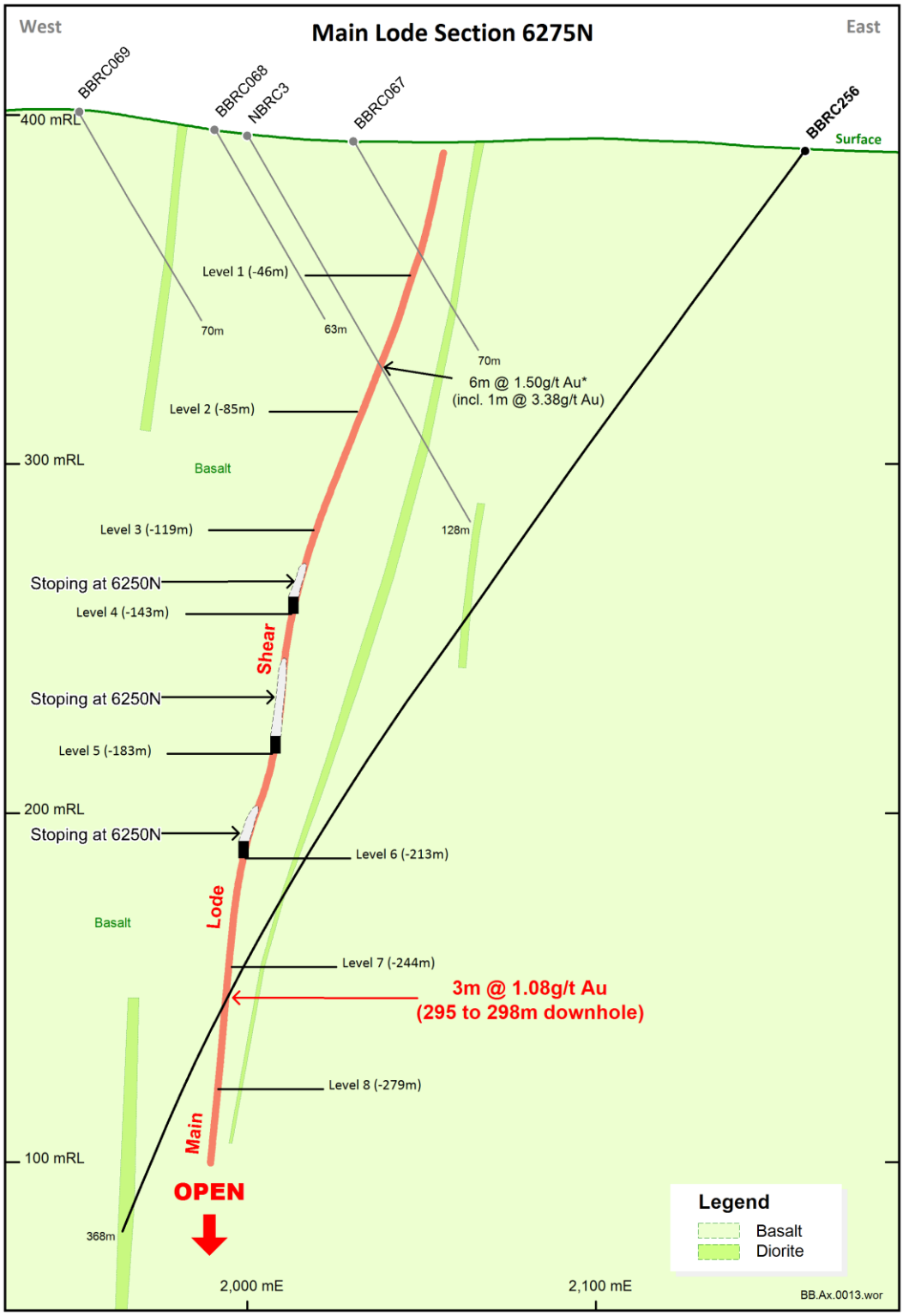


**Figure 2: Main Lode schematic section 6275N showing BBRC256 intersecting the Main Lode shear below historic stoping on Level 6.**

** Intersection is historic in nature and previously reported in the following ASX Release which can be viewed at www.barraresources.com.au; 28/08/2008 Burbanks Mainlode RC Update.*

*The Company is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and parameters used in the relevant market announcements continue to apply and have not materially changed.*

**Main Lode Gold Mine - Background**

The Main Lode Gold Mine lies within Barra's exclusive Reservation Area within mining lease M15/161, (held by Kidman Resources Limited (KDR) (see Diagram 1)), and is being targeted by the Company with the aim of establishing a significant resource base that can be developed to provide ongoing and sustainable cashflow at Burbanks.

Between 1885 and 1914, the Main Lode Gold Mine produced 146,000t @ 18.3g/t gold for approximately 85,900oz of gold. The Burbanks Mining Centre, which includes the Main Lode Gold Mine and the neighbouring Birthday Gift Gold Mine, 900 metres to the south, was one the richest gold mining areas in the Eastern Goldfields of Western Australia until the onset of World War 1.

At Main Lode, underground mining stopped at Level 7, a vertical depth of 240m below surface level (b.s.l). Level 8, at 275m b.s.l, was developed but not mined. Between 1946 and 1951, WMC accessed Level 8 and undertook extensive channel sampling of the backs yielding a pay-run of 160m grading 16.1g/t gold at an average width of 0.4m (Figure 2).

The Burbanks Project has a proven production history with more than 400,000 ounces produced from Birthday Gift and Main Lode mines since 1885. Barra has held an interest in the project area since 1999 where it has produced 36,000 ounces in its own capacity and via tribute mining agreements with third parties. Barra sees the Burbanks Project area, specifically the Main Lode Gold Mine as having excellent potential to host larger high-grade lodes at depth.

The high-grade gold system that host the Main Lode and Birthday Gift Gold Mines is controlled by the Burbanks Shear Zone. The shear zone is host to numerous gold prospects including Burbanks North located just 900 metres along strike to the north of the Main Lode Gold Mine.

**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 Ltd. 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.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.

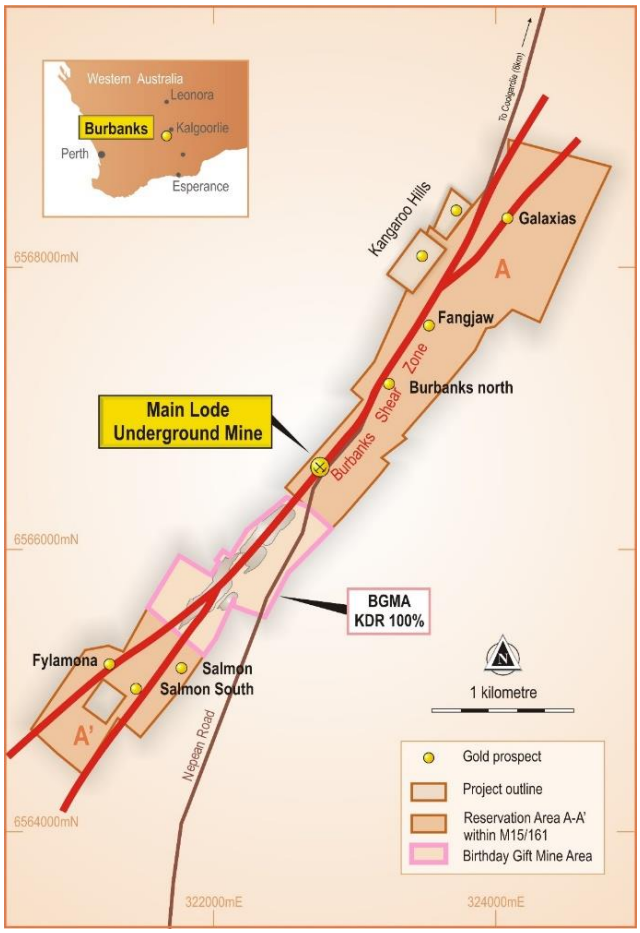


**Diagram 1: Burbanks Project showing location of the Main Lode Gold Mine and separation of rights to Mining Lease M15/161. Barra has 100% rights to explore and mine on area A-A' (Reservation Area).**

**THE FOLLOWING TABLES ARE PROVIDED TO ENSURE COMPLIANCE WITH THE JORC CODE (2012 EDITION) FOR THE REPORTING OF EXPLORATION RESULTS.**

## TABLE 1

**Summary of Main Lode RC drilling intersections with an average gold grade greater than or equal to 1.0 gram per tonne.**

| HoleID | Northing | Easting | Elevation | Dip | Azimuth | Total Depth | From | To | Width | Au (g/t) |
|---|---|---|---|---|---|---|---|---|---|---|
| BBRC256 | 6275 | 2160 | 390 | -55 | 270 | 368 | 295 | 298 | 3 | 1.08 |
| | | | | | | | *295* | *296* | *1* | *1.24* |
| | | | | | | | *296* | *297* | *1* | *0.31* |
| | | | | | | | *297* | *298* | *1* | *1.70* |

**THE FOLLOWING TABLES ARE PROVIDED TO ENSURE COMPLIANCE WITH THE JORC CODE (2012 EDITION) FOR THE REPORTING OF EXPLORATION RESULTS.**

## MAIN LODE PROSPECT

## SECTION 1 – SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | • *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* | • For RC drilling, a 1m split samples is collected directly from a Sandvik Rotaport (rotating) cone splitter mounted directly below the rigs cyclone. The cyclone and splitter are cleaned regularly to minimize contamination. |
| | • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | • Sample and QAQC procedures are carried out using Barra's protocols and in line with industry best practice |
| | • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information* | • For RC drilling, 1m samples are obtained from which a 3kg split Sample is collected. Through mineralised zones (as determined by the geologist in charge) Split Samples are collected for analysis. Through non-mineralised zones a 3kg composite (up to 4m) Sample is collected using an alloy scoop for analysis.<br>• Samples are dried, pulverised and further split to produce a 40g sub-sample which is analysed by fire assay with an AAS finish.<br>• Samples were only assayed for gold. |
| ***Drilling techniques*** | • *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).* | • Reverse circulation (RC) drilling was carried out using a face sampling hammer with nominal 146mm diameter (5.75") drill bit. |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.* | • RC sample recoveries are visually estimated qualitatively on a metre basis and recorded in the database. |
| | • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | • Drilling contractors adjust their drilling approach to specific conditions to maximise sample |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | recovery.<br>• Drill cyclone and splitter are cleaned between rod changes and after each hole to minimise downhole and cross-hole contamination. |
| | • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • No sample recovery issues have impacted on potential sample bias. |
| ***Logging*** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | • All drillholes are logged in full and to a level of detail that would support an appropriate Mineral Resource and mining study.<br>• RC holes were logged at 1m intervals for the entire hole from drill chips collected and stored in chip trays. Data was recorded for regolith, lithology, veining, fabric (structure), grain size, colour, sulphide presence, alteration and oxidation state. |
| | • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* | • Logging is both qualitative and quantitative in nature depending on the field being logged. |
| | • *The total length and percentage of the relevant intersections logged.* | • All drillholes are logged in full. |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.* | • n/a |
| | • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* | • All RC samples were passed through cyclone and rotating cone splitter and a ~3kg split Sample is collected for each 1m interval.<br>• 1m split Samples were collected for analysis from selected zones based on field logging. All other zones were sampled by collecting a composite sample (up to 4m).<br>• Samples are collected both wet and dry. |
| | • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | • Sample preparation was conducted at Bureau Veritas' Kalassay Laboratory in Perth using a fully automated sample preparation system. Preparation commences with sorting and drying. Oversized samples are crushed to <3mm and split down to 3kg using a rotary or riffle splitter. Samples are then pulverized and homogenized in LM5 Ring Mills and ground to ensure >90% passes 75µm.<br>• 200g of pulverized sample is taken by spatula and used for a 40g charge for Fire Assay for gold analysis. A high-capacity vacuum cleaning system is used to clean sample preparation equipment between each sample.<br>• The sample size is considered appropriate for this type and style of mineralisation. |
| | • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | • QC procedures include the submission of Certified Reference Material (CRM's), blanks and duplicate samples with each batch of samples. Selected samples are also re-assayed to confirm anomalous results. |
| | • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* | • Field duplicate samples were collected at a rate of 1 every 25m per hole. |
| | • *Whether sample sizes are appropriate to the grain* | • Sample size is considered appropriate for gold |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *size of the material being sampled.* | exploration. |
| ***Quality of assay data and laboratory tests*** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* | • Fire Assay is an industry standard analysis technique for determining the total gold content of a sample. The 40g charge is mixed with a lead based flux. The charge/flux mixture is 'fired' at 1100$^{o}$C for 50mins fusing the sample. The gold is extracted from the fused sample using Nitric (HNO3) and Hydrochloric (HCl) acids. The acid solution is then subjected to Atomic Absorption Spectrometry (AAS) to determine gold content. The detection level for the Fire Assay/AAS technique is 0.01ppm. |
| | • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* | • n/a |
| | • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.* | • Laboratory QA/QC controls during the analysis process include duplicates for reproducibility, blank samples for contamination and standards for bias. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.* | • All drilling and significant intersections are verified and signed off by the Exploration Manager for Barra Resources who is also a Competent Person. |
| | • *The use of twinned holes.* | • No pre-determined twin holes were drilled during this program. |
| | • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | • Geological logging was originally captured on paper, scanned and sent to the company's consultant database administrator (RoreData) for entry directly into the database via a validation process. Sampling, collar, and laboratory assay data is captured electronically and also sent to RoreData. All original data is stored and backed-up by Barra. The official database is stored by RoreData, a copy of which is uploaded to Barra's server for geologists use. Uploaded data is reviewed and verified by the geologist responsible for the data collection. |
| | • *Discuss any adjustment to assay data.* | • No adjustments or calibrations were made to any assay data reported. |
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* | • Drillhole collar locations are surveyed before and after by a qualified surveyor using sophisticated DGPS with a nominal accuracy of +/- 0.05m for north, east and RL (elevation)<br>• The drilling rig was sighted using a rig mounted gyro survey tool. Drillhole angle was set using an inclinometer placed on the drill mast prior to collaring the hole.<br>• Down-hole surveying was conducted immediately after completion of each hole using a north seeking Axis Mining Technology Champ Gyro tool. Local grid azimuths were calculated by subtracting 41.5$^{o}$ from the gyro reading. |
| | • *Specification of the grid system used.* | • All drilling was located on the surveyed mine grid (BB_MineGrid). Coordinates can be |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | converted to GDA94, MGA Zone 51 grid system using the following conversion: Pt1 4480.26N, 2263.11E = 6565178.26N, 321827.66E and Pt2 7200N, 2000E = 6567384.542N, 323435.051E |
| | • *Quality and adequacy of topographic control.* | • A topographic surface has been created using ortho-corrected aerial photography. This surface has been calibrated with DGPS survey data. All reconnaissance holes are corrected to this surface in the absence of a survey pickup. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.* | • Due to the reconnaissance nature of the drilling, no data spacing is relevant. |
| | • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | • n/a |
| | • *Whether sample compositing has been applied.* | • No sample compositing has been applied to mineralised intervals. |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | • Drilling was perpendicular to the strike of the main mineralised structure targeted for this program. All reported intervals are however reported as downhole intervals and not true-width. |
| | • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • No drilling orientation and/or sampling bias have been recognized in the data at this time. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • Samples for analysis were tagged and recorded instantly and delivered to the laboratory at the end of each day. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • No audits or reviews have been conducted on sampling techniques and data at this stage. |

## SECTION 2 – REPORTING OF EXPLORATION RESULTS

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* | • The historic Main Lode Gold Mine is located within mining leases M15/161. Barra Resources Limited has 100% rights to the Reservation Area as shown in Diagram 1. Kidman Resources Limited (ASX:KDR) is the holder of M15/161.<br>• KDR own and operate the Birthday Gift Mine Area (BGMA).<br>• Barra has a $25 per ounce of gold production royalty over the BGMA |
| | • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • There is no native title claim over the lease<br>• The tenement is in good standing. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | • Mining lease M15/161 comprises the Birthday Gift Mining Centre. Historical production (1885-1999) from the Birthday Gift Mine (incl. Lady Robinson, Christmas, Far East and Tom's Lode pits) and the Main Lode Mine produced over |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | 400,000 ounces to a depth of about 140m below surface. Birthday Gift is being actively mined today under the ownership of KDR.<br>• No mining has occurred at Main Lode since 1914.<br>• Between 1946-1951 WMC channel-sampled Level-7 at Birthday Gift yielding 30m @ 18.3g/t Au over and average width of 1.5m and 76m @ 17.4g/t Au over an average width of 1.1m. At Main Lode, channel sampling along Level-8 returned 160m @ 16.1g/t Au over an average width of 0.4m.<br>• 1978-1985; Jones Mining NL mined the Lady Robinson open pit producing 28,000t @ 6.2g/t (5,600oz).<br>• 1985-1991; Metallgesellschaft/Lubbock mined a further 172,800t @ 3.8g/t (21,100oz) from Lady Robinson.<br>• 1991-1999; Amalg Resources mined 68,100t @ 2.9g/t from the Christmas Pit, and other parcels from the Far East pit, Tom's Lode pit and minor underground development beneath Lady Robinson and Christmas Pits.<br>• 1999-2013; Barra conducted underground mining at Birthday Gift producing 36,000oz. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | • The Burbanks Project, specifically M15/161, covers about 5km of strike of the Burbanks Shear Zone within a package of basalts and intercalated gabbro/dolerite and sediments.<br>• Gold occurs in ptygmatically folded and boudinaged laminated quartz +/-carbonate veins with pyrite, pyrrhotite, scheelite and an alteration assemblage of plagioclase, calcite, chlorite and biotite. It may also occur in quartz-pyritic biotitic shears and is often associated with garnetiferous diorite sills. |
| ***Drill hole Information*** | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>o *easting and northing of the drill hole collar*<br>o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>o *dip and azimuth of the hole*<br>o *down hole length and interception depth*<br>o *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | • Drillhole information for the drilling discussed in this report is listed in Table 1 in the context of this report.<br>• All material data has been periodically released to the ASX on these dates: 19/03/2008, 28/08/2008, 13/09/2010, 22/07/2016, 25/08/2016, 25/10/2016, and 14/03/2017. |
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such* | • Reported intersections have been length weighted to provide the intersection width.<br>• Significant intersections have been reported where the weighted average for the intersection is >= 1.0g/t Au.<br>• A maximum of 3m internal waste (or barren) between mineralised samples has been included in the calculation of intersection widths. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • No assays have been top-cut for the purpose of this report. A lower cut-off of 1g/t Au has been used to identify significant results.<br>• All significant intersections have been reported.<br>• No metal equivalent values have been used for the reporting of these exploration results. |
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').* | • True widths, where reported, have been estimated manually on a hole by hole basis for intersections within known mineralised zones and based on the current knowledge of the mineralised structure.<br>• Both downhole width and estimated true width have been clearly specified in this report when used.<br>• The main mineralised shear trends NE and dips about 75 degrees west. |
| ***Diagrams*** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Appropriate plans and sections have been included in the body of this report. |
| ***Balanced reporting*** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • Both high and low grades have been reported accurately, clearly identified with drillhole attributes and 'from' and 'to' depths. |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • There is no heavily oxidised (soft) profile at Main Lode. Weak, joint oxidised to fresh rock commences from surface.<br>• Historical mining (stope voids, drives, shafts) needs to be accurately located and modelled to account for resource depletion when estimating a Mineral Resource. |
| ***Further work*** | • *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Further work has been discussed in the context of this report but will include:<br>Additional campaigns targeting strike (up to 1300m) and depth extensions from 100 to 275m below surface (mine environment) and from 275m below surface (Main Lode Deeps) |