

**Corporate Details:**

ASX Code: BAR

Market Cap: \$21M (22 November 2017)

Issued Capital:

423.75 m ordinary shares

Substantial Shareholders:

FMR Investments Pty Ltd 19.3%

Directors:**Chairman:**

Gary Berrell

Managing Director & CEO:

Sean Gregory

Non-Executive Directors:

Grant Mooney

Jon Young

Company Secretary:

Grant Mooney

Contact Details:

Barra Resources Limited

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CHAIRMAN'S LETTER

NOVEMBER 2017

Dear Investor,

With the recent release of the Mt Thirsty Cobalt Project Scoping Study (ASX Release 5th October 2017), the re-acquisition of the Birthday Gift Gold Mine from Kidman Resources Limited (ASX Release 13th November 2017) and the announcement of the appointment of our new Managing Director and CEO, Sean Gregory (ASX Release 16th November 2017), your Company is extremely well positioned to look forward to 2018 with great excitement.

Our dual strategy focus of advancing the Mt Thirsty Cobalt Project near Norseman, WA and exploring and developing our gold projects in the Eastern Goldfields of WA, is giving the Company great exposure to a rising commodity price cycle for cobalt, nickel and gold. This trifecta of commodities looks like a winner. The booming electric vehicle market specifically and the battery storage market in general, each requiring vast quantities of cobalt and nickel, aligned with the geopolitical concerns around North Asia and creeping inflationary expectations underpinning gold, gives our asset portfolio an enviable balance.

Mt Thirsty

As we have publicly stated, our recent Scoping Study confirmed the base case for sulphur dioxide, being our reagent of choice, to facilitate a low capex and low opex operation at Mt Thirsty. This project gives our shareholders great exposure to rising cobalt and nickel prices, as predicted by many analysts. Being an exported commodity product, the project is also very sensitive to the exchange rate. Recent commentary by the highly regarded US bank Morgan Stanley predicts the Australian dollar to slide to a US\$/A\$ exchange rate of \$0.65 by 2019 which, if realised, has the potential to sharply increase the project's base case after tax Net Present Value (NPV) by more than \$100 million to +\$400 million. When compared to our current market cap of around \$21 million, this looks very encouraging.

The Company is currently scoping the next round of met testing, targeting increased cobalt and nickel recoveries. Any increase in recoveries will substantially boost revenues and obviously flow through into a higher NPV and Internal Rate of Return. These are the key financial variables working to attract more investors into our project.



Burbanks

Whilst the market's focus, quite understandably, is on Mt Thirsty, we continue to advance our gold assets in line with our strategy. We recently commissioned a comprehensive exploration review over our combined gold portfolio at Burbanks and Phillips Find. Out of this review it became clear that we needed to consolidate the ownership over the entire Burbanks Gold Project to effectively implement our gold exploration strategy and do justice to the expenditure of shareholders' funds. We have identified several significant target zones along the 5 kilometre strike length of the Burbanks Shear Zone, which already hosts the adjacent Birthday Gift and Main lode Underground Mines. The consolidated ownership now allows our geological team to systematically explore the entire mineralised system unhindered, specifically the depth potential beneath and between the Birthday Gift and Main Lode mines, from surface and from depth.

Share Purchase Plan

To meet our funding requirements into 2018 the Board recently announced a \$1 million Share Purchase Plan. This process was selected to allow all of our shareholders to participate, rather than a select few, in the raising. The issue is also priced at a discount to recent market trading as a further benefit to our current and loyal shareholders.

Eligible shareholders are simply defined as those on the shareholder register as at 16th November 2017, with a registered address in Australia or New Zealand. Regardless of the number of shares you own, you may purchase either \$2,000, \$5000, \$10,000 or \$15,000 worth of shares by ticking the appropriate box on the Offer form and then following the settlement instructions. The Offer closes on 7th December 2017, unless closed early, and we strongly urge all shareholders to promptly respond to avoid missing out.

I urge all shareholders to carefully read our Share Purchase Plan document and seek personal financial and/or taxation advice depending on your circumstances.

Your eligible Directors intend to fully participate in the Offer. I do thoroughly commend the Share Purchase Plan to you and the Company looks forward to your continued support.

Gary Berrell
Chairman