



ASX ANNOUNCEMENT

11th April 2018

BARRA RESOURCES LIMITED

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DIRECTORS

MD & CEO: Sean Gregory

Chairman: Gary Berrell
Non-Exec: Jon Young
Non-Exec: Grant Mooney

ORDINARY SHARES

473,747,883

OPTIONS

50,000,000

PROJECTS

Mt Thirsty Co-Ni Project
(50%)

Coolgardie Au Projects
(100%)

RE-AWAKENING THE MAIN LODGE GOLD MINE

- Strategic review identifies the Main Lode Gold Mine as the highest priority drill target.
- 4,000m Reverse Circulation (RC) drilling set to commence next Monday, following-up exceptional 2017 drilling results.
- Over 420,000oz gold mined from Burbanks since 1885 including ~85,900oz at 18.3g/t gold from the Main Lode Gold Mine.
- Main Lode Gold Mine was abandoned with the outbreak of World War One and has not been mined since (Figure 1).



(F. R. Dawson, photo.)

GROUP OF MINERS, BURBANKS MAIN LODGE GOLD MINE.

Figure 1: Miners at Main Lode c.1913 prior to the outbreak of World War One.

Introduction

Barra Resources Limited ('Barra' or 'the Company') is pleased to update the market regarding its forthcoming 2018 exploration program, commencing with RC drilling at its wholly owned Burbanks Gold Project, located 9km southeast of Coolgardie, Western Australia (Figure 2).

Barra recently completed a geological assessment and strategic review of its gold portfolio which resulted in a comprehensive update to the Company's Gold Strategy. The updated Gold Strategy is based on an initial **Exploration Target of 223,000 to 564,000oz of gold** for Burbanks alone (Table 1, Figure 3). The potential quantity and grade of the Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource beyond Birthday Gift. It is uncertain if further exploration will result in an estimation of a Mineral Resourceⁱ.

The Company is now able to implement the drilling phase of the updated Strategy, commencing with 4,000m of RC drilling at the high priority Main Lode Gold Mine.

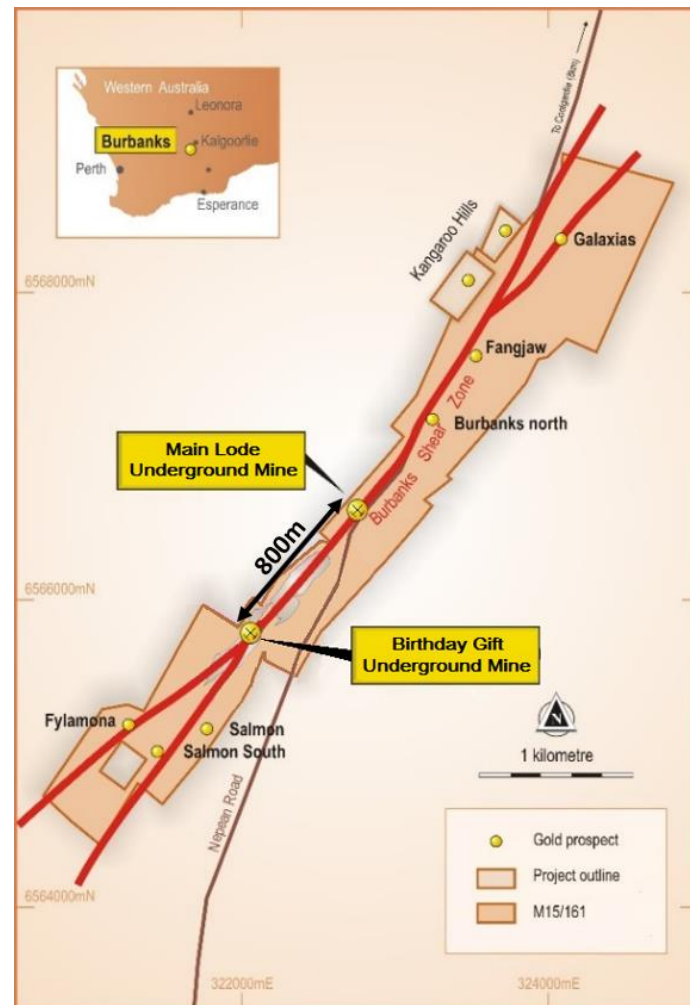


Figure 2: Burbanks Location Plan

Main Lode Background

The Main Lode Underground Mine produced 146,000t at 18.3g/t for 85,900oz of gold to a depth of 240m below surface level (b.s.l) (Level 7) between 1885 and 1914. This is a subset of the 420,000oz of gold that has been mined from the entire 5km strike length of the Burbanks corridor over the last 133 years (Figure 3).

Underground mining was abandoned prematurely at Level 7 due to the outbreak of World War One. Level 8, at 275m b.s.l, was developed but never mined. The men swapped picks for rifles and went off to war. Mining has never resumed.

Between 1946 and 1951, Western Mining Corporation accessed Level 8 at Main Lode and undertook extensive strike drive sampling, yielding a pay-run of 160m at 16.1g/t gold at an average width of 0.4m.

Main Lode was then revisited with 3,249m of RC drilling in 2017. Exceptional results were encounteredⁱⁱ, including:

- **11.0m @ 5.70g/t Au from 44m**
- **5.0m @ 9.62g/t Au from 33m**
- **5.0m @ 8.65g/t Au from 37m**
- **5.0m @ 3.70g/t Au from 44m**
- **5.0m @ 3.29g/t Au from 82m including 2.0m @ 6.77g/t Au from 82m**
- **4.0m @ 4.26g/t Au from 27m**
- **3.0m @ 11.66g/t Au from 66m, and**
- **3.0m @ 6.48g/t Au from 47m.**

The 2017 program at Main Lode successfully defined a 400m long strongly mineralised zone along the Burbanks Shear to a depth of 70m b.s.l, immediately adjacent to the historical mine workings. This demonstrated the potential for significant resources to be delineated along strike and below the historic underground mining areas.

Based on this history and results, Main Lode has been deservedly selected as the highest priority drilling target.

Main Lode Drilling Program

Drilling is set to start with approvals in place from the WA Mines Department (DMIRS). A drilling contractor has been selected and is scheduled to mobilise to site this Friday with drilling to commence next Monday. The drilling program will run for 4-6 weeks with assays expected to be announced later during the current quarter.

Drilling will focus on extending the strike of the existing mineralised zone from 400m to 800m by initially testing an additional 200m of strike extent to the north and south. The 4,000m program also aims to increase the depth extent to 250m b.s.l by testing the next 180m vertically below the 2017 program (Figure 4).

LONG SECTION

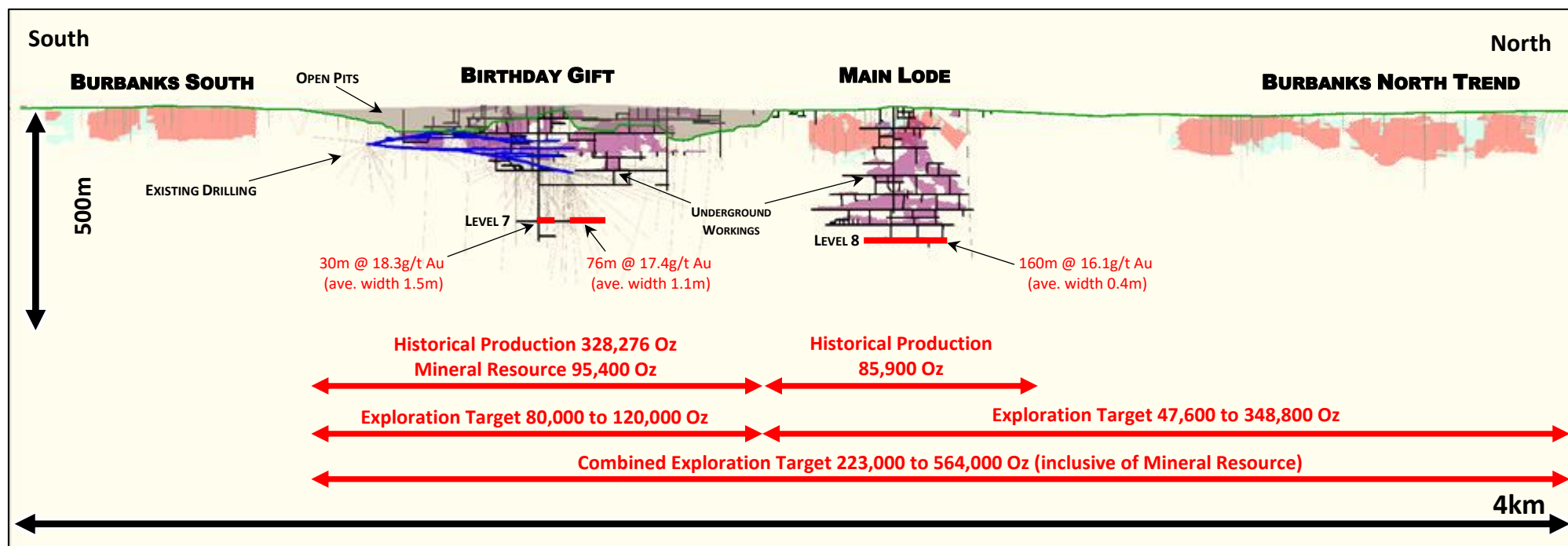


Figure 3: Burbanks Shear Zone long section showing key target areas and historic drive sampling.

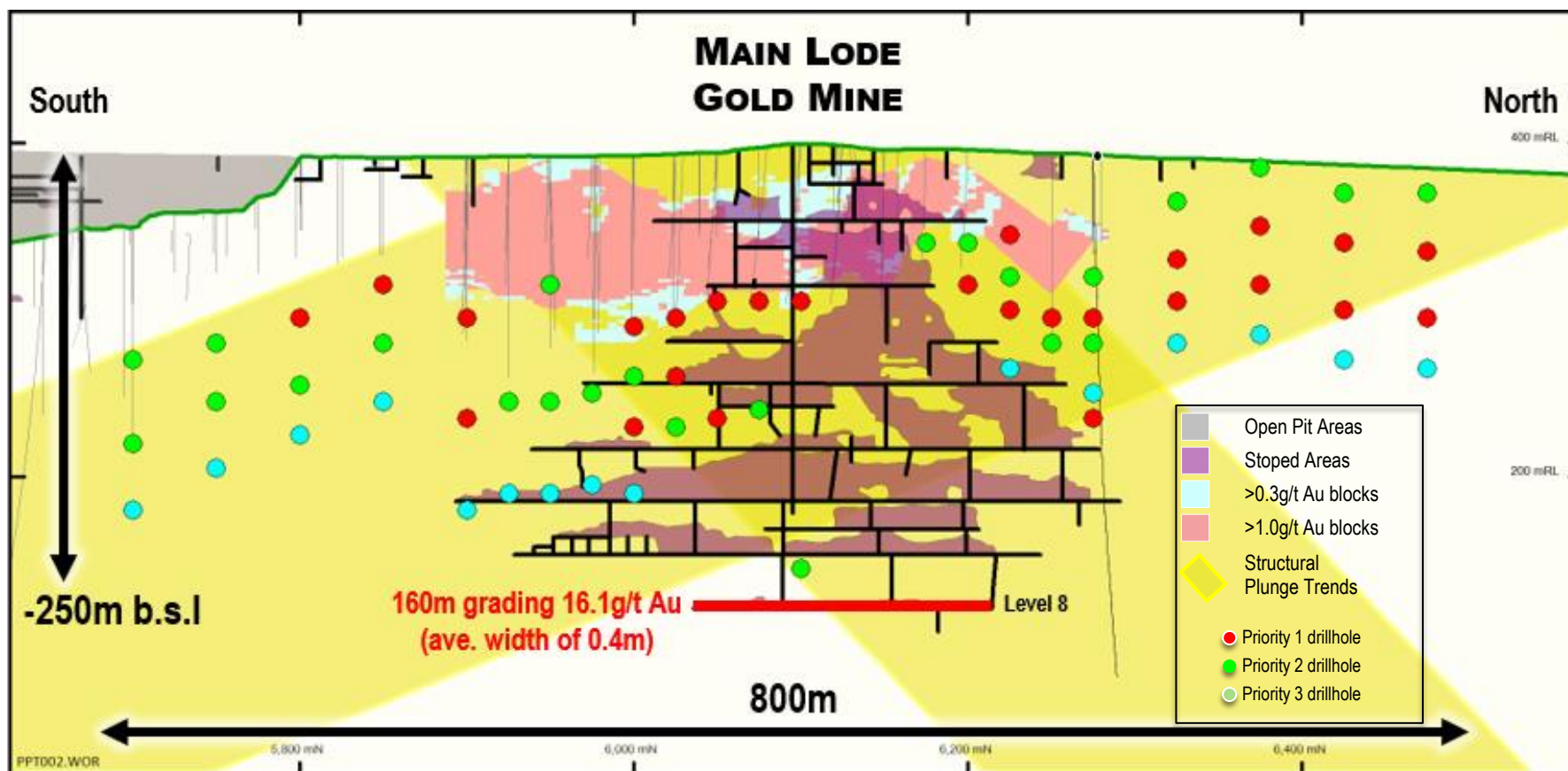


Figure 4: Drilling planned at Main Lode. Planned 4,000m are Priority 1 holes (Red Holes). Priority 2 and 3 holes are available for immediate follow up.

Background of Burbanks Project

The Burbanks Project is located 9km southeast of Coolgardie, Western Australia. The Project comprises 3 tenements including M15/161 and covers the Burbanks Mining Centre and over 5km of the highly prospective Burbanks Shear Zone, the most significant gold producing structure within the Coolgardie Goldfield.

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 (Figure 2). Here, the recorded historic underground mine production (1885-1961) totaled **444,600t at 22.7g/t gold for 324,479oz** 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 exceeds **420,000oz**.

The Birthday Gift Underground Mine produced **204,000t at 27.4g/t gold for ~180,000oz** with peak production between 1897 and 1903. At 27.4 g/t Au, Birthday Gift represents one of the richest goldmines in the Eastern Goldfields of Western Australia.

The Main Lode Underground Mine produced **146,000t at 18.3g/t gold for ~85,900oz** to a depth of 240m b.s.l (Level 7) between 1885 and 1914. Underground mining stopped at Level 7 due to the outbreak of World War One; Level 8, at 275m b.s.l, was developed but never mined. Between 1946 and 1951, Western Mining Corporation accessed Level 8 at Main Lode and undertook extensive strike drive sampling, yielding a pay-run of **160m at 16.1g/t gold at an average width of 0.4m**.

Barra originally acquired M15/161 in 2000 and established a maiden JORC 2004 Indicated and Inferred Mineral Resource at Birthday Gift of **517,000t at 4.45g/t gold for 74,000oz**ⁱⁱⁱ. Underground mining ensued at Birthday Gift where Barra produced **33,483oz** in its own capacity and via tribute mining agreements with third parties.

Underground drilling at Birthday Gift (Barra, 2008) to extend resources between Level 4 (current extent of recent mine activity) and Level 7 (around 170m below Level 4) yielded excellent results including a stunning **4.69m @ 462.10g/t Au (incl. 0.21m @ 10,300g/t Au)**^{iv} and **5.97m @ 39.75g/t (incl. 0.5m @ 468.6g/t Au)**, **6.05m @ 27.07g/t Au**, **3.45m @ 16.50g/t Au**, **4.00m @ 9.56g/t Au** and **9.11m @ 5.20g/t Au**^v.

Like Main Lode, Level 7 at Birthday Gift was developed but never mined and strike drive sampling by Western Mining Corporation between 1946 and 1951 produced two pay runs of **30m length at 1.5m true width at 17.2g/t Au** and **90m length at 1.2m true width at 13.0g/t Au**. No historical mining has ever taken place at these depths.



Figure 5: Historic images of the Coolgardie Townsite and the Main Lode Underground Mine (source: Trove-National Library of Australia, circa 1913)

The underground development at Birthday Gift represents many millions of dollars of investment by previous mine owners and developers (Figure 6).



Figure 6: Birthday Gift Portal and Underground Development represents millions of dollars of investment.

In 2013, following an extensive economic downturn, Barra sold the Burbanks mining lease to Blue Tiger Mining Pty Ltd (BTM) for \$2M and a gold royalty with Barra retaining sole and exclusive rights to all the area outside of a restricted zone around the Birthday Gift Mine Area. Between 2014 and 2017, BTM and later Kidman Resources Limited (ASX:KDR), produced a combined **14,322oz** of gold from Birthday Gift. Barra re-acquired the Burbanks mining lease in December 2017 for \$121,000 and a \$20 per ounce royalty limited to the first 55,000 ounces mined.

In March 2018, Barra updated its Gold Strategy based on a newly defined Exploration Target. The Exploration Target for Burbanks is now identified as **223,000 to 564,000oz of gold**, inclusive of the Birthday Gift Mineral Resource (Table 1). The potential quantity and grade of the Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource beyond Birthday Gift. It is uncertain if further exploration will result in an estimation of a Mineral Resourceⁱ.

	Low Range			High Range		
	tonnes	Au g/t	Au Oz	tonnes	Au g/t	Au Oz
Main Lode to Burbanks North Exploration Target	185,000	8.0	47,600	2,170,000	5.0	348,800
Birthday Gift Exploration Target ^{vi}	625,000	4.0	80,000	650,000	6.0	120,000
Birthday Gift Mineral Resource ^{vii}	514,700	5.8	95,400	514,700	5.8	95,400
Total			223,000			564,000

Table 1: Burbanks JORC 2012 Exploration Targets and Mineral Resource.

It is also important to note the Exploration Target stated does not include the outstanding greenfields targets at Barra's Phillips Find Gold Project that will be the subject of separate future announcements and drilling programs. Nor does it include any potential below an economic search window limited to within 500m of surface or targets to the south of Birthday Gift.

The Exploration Target is inclusive of the previously announced JORC 2012 compliant Mineral Resource Estimate of 95,400oz Au at Birthday Gift (Table 2).

Mineral Resource for the Burbanks Gold Project – 30 th June 2016							
Area	Cut-Off	Indicated			Inferred		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Christmas Open Pit	1.0	5,700	6.2	1,100	4,000	7.8	1,050
Birthday Gift Underground Mine	2.5	180,000	6.0	34,750	325,000	5.6	58,500
Total Mineral Resource	1.0/2.5	185,700	6.0	35,850	329,000	5.6	59,550

Table 2: Birthday Gift Mine (Burbanks Deposit) Mineral Resource Inventory (as at 30 June 2016)ⁱⁱ.

Next Steps

The initial drilling program at Main Lode will run for 4-6 weeks. Assays are expected to be announced to the market later during the current quarter. Barra intends to then test other key target areas at Burbanks and Phillips find in a systematic manner during 2018. This is of course in parallel with the progression of the Mt Thirsty Cobalt-Nickel Pre-Feasibility Study in line with Barra's dual commodity strategy.

A handwritten signature in blue ink, appearing to read 'Sean Gregory'.

Sean Gregory
Managing Director and CEO

Competent Persons Statement

The information in this report which relates to Exploration Targets and exploration results is based on information compiled by Mr. Gary Harvey who is a Member of the Australian Institute of Geoscientists (MAIG) and a full-time employee of the Company. Mr. 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". Mr. Harvey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report which relates to Exploration Targets is based on information compiled by Mr. Allan Kneeshaw who is an independent consultant and is a Fellow of the Australian Institute of Geoscientists (FAIG) and a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Kneeshaw 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". Mr. Kneeshaw 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 based on interpretations or conclusions contained in this report will therefore carry an element of risk.

ⁱ For full details of the Exploration Target refer ASX:BAR announcement 21/3/18

ⁱⁱ For full details on the 2017 Main Lode drilling results, refer ASX:BAR announcement 14/3/2017

ⁱⁱⁱ Refer ASX:BAR Release dated 27/06/2006

^{iv} Refer ASX:BAR Release dated 21/12/2007

^v Refer ASX:BAR Release dated 15/11/2007

^{vi} The information in this release that relates to the Birthday Gift Exploration Target has been extracted from Kidman Resources Limited's KDR:ASX Release dated 25/08/2015 "Initial 99,000oz Resource for Burbanks gold mine in WA", available to view at www.kidmanresources.com.au. The Company is not aware of any new information or data that materially affects the information included in the previous reports and that all the previous assumptions and technical parameters underpinning the estimates in Kidman's ASX Release dated 25/08/2015, have not materially changed.

^{vii} For full details of the Birthday Gift Mineral Resource, refer to Kidman's 2016 Annual Report