



RC DRILLING MOVES TO KANGAROO HILLS

ASX ANNOUNCEMENT

1st June 2018

BARRA RESOURCES LIMITED

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DIRECTORS

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Chairman: Gary Berrell
Non-Exec: Jon Young
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ORDINARY SHARES

473,747,883

OPTIONS

50,000,000

PROJECTS

Mt Thirsty Co-Ni Project
(50%)

Coolgardie Au Projects
(100%)

- 23-hole Reverse Circulation (RC) drilling program at Main Lode completed; results to be announced this month.
- 1,500m RC drilling program immediately commences at Barra's next high priority drill target, Kangaroo Hills.
- RC drilling follows up positive Air Core (AC) results around historical high-grade workings at Kangaroo Hills.

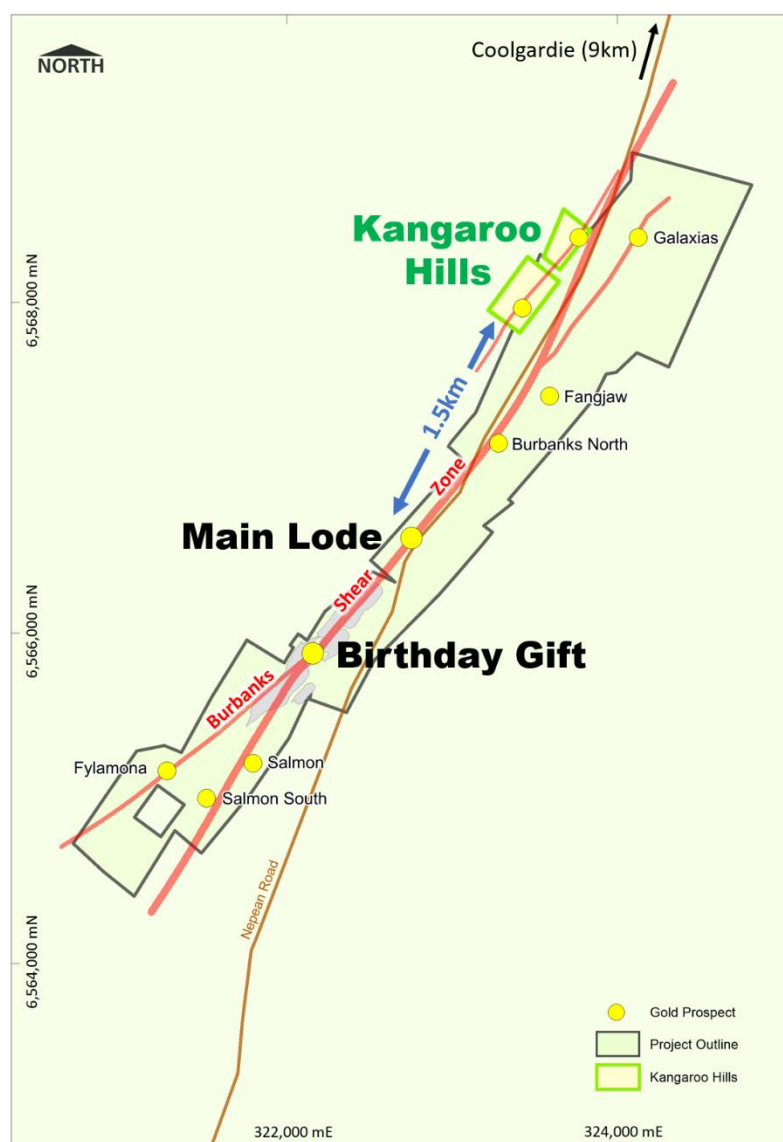


Figure 1: Burbanks Location Plan

Introduction

Barra Resources Limited ('Barra') is pleased to provide an update regarding its RC drilling programs at its wholly owned Burbanks Gold Project, located 9km southeast of Coolgardie, Western Australia (Figure 1).

The Company has recently completed a 23-hole RC drilling program at Main Lode (refer ASX:BAR Announcement 11/4/18) and is now implementing the next drilling phase with 1,500m of RC drilling at the next high priority target, Kangaroo Hills.

Kangaroo Hills Background

Kangaroo Hills is located 1.5km northeast of Main Lode and covers 800m of prospective strike length parallel to the main Burbanks Shear Zone. The mineralised system is high grade and analogous to both Birthday Gift and Main Lode.

Historical small-scale mining at Kangaroo Hills is dotted along the mineralised structure where production between 1851 and 1975 totaled **6,227t @ 24.35g/t for 4,874oz Au.**

AC drilling in 2011 identified several shallow high-grade gold intersections (Figure 2, refer to ASX:BAR Announcement 19/09/11). Best results included **3m @ 22.90g/t Au, 1m @ 5.91g/t Au, and 2m @ 12.79g/t Au.**

Kangaroo Hills Drilling Program

The Kangaroo Hills RC drilling program aims to extend the targets identified from the AC drilling program. 16 holes are planned for about 1,500m (Figure 2). This drilling will test a total strike length of 350m over 2 target areas. The drilling will test the mineralised structures to a depth of up to 100m below surface on 50m spaced traverses.

Next Steps

Assay results for Main Lode are expected to be announced this month. The drilling program at Kangaroo Hills will run for 2-3 weeks. Once the drilling is completed, assays for Kangaroo Hills are expected in the following quarter. Barra intends to then test other key target areas at Burbanks and Phillips find in a systematic manner during 2018. This is in parallel with the progression of the Mt Thirsty Cobalt-Nickel Project in line with Barra's dual commodity strategy.



Sean Gregory
Managing Director and CEO

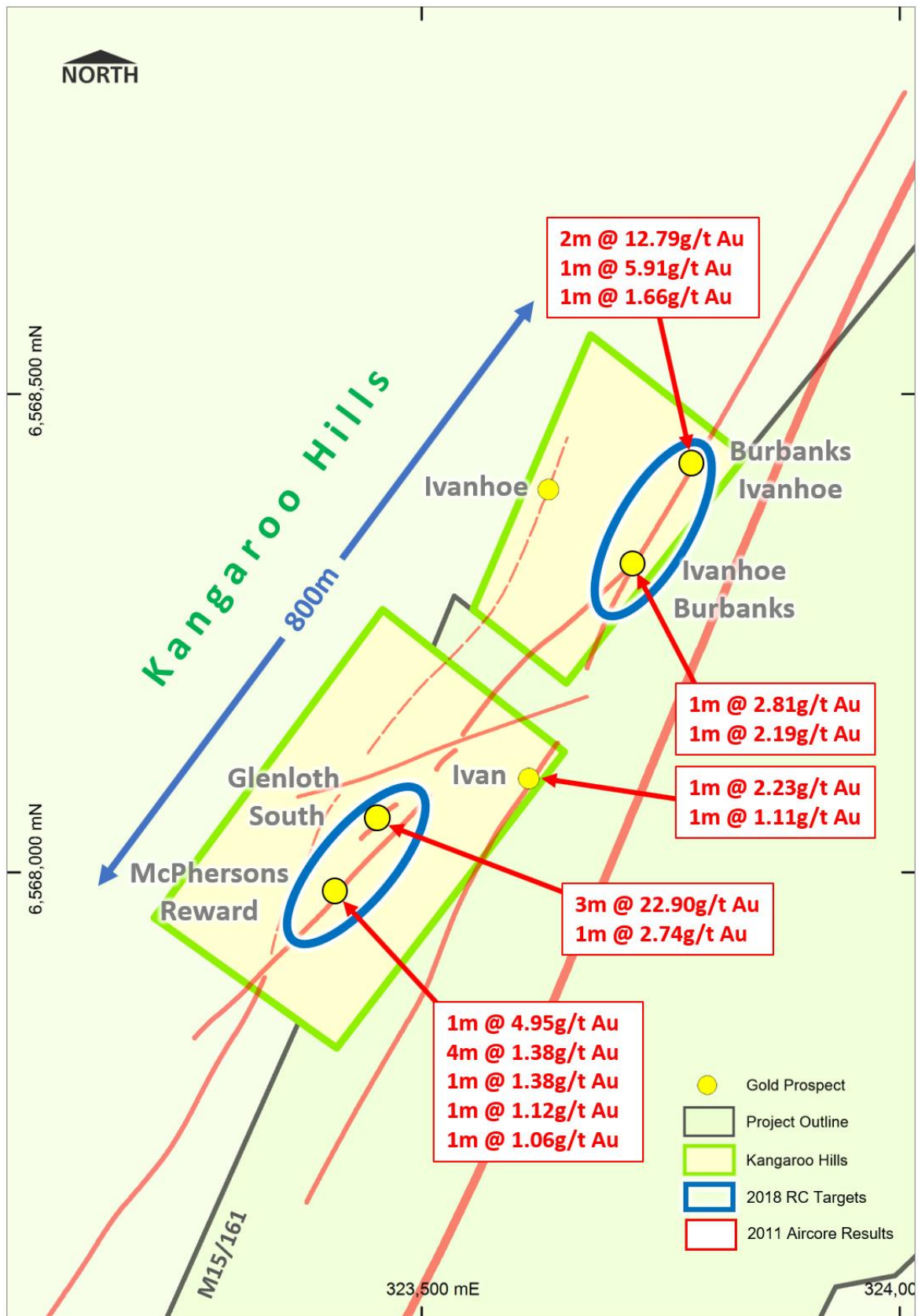


Figure 2: Existing AC drilling results and planned drilling areas at Kangaroo Hills.

APPENDIX - 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 and the Main Lode Gold Mine (800m to the north). The recorded historic underground production at Burbanks (1885-1961) totalled **444,600t at 22.7 g/t Au 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 exceed **420,000oz**.

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 564,000 ounces of gold** (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 Resource (refer to ASX:BAR Announcement 21/3/18).

| | 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 | 625,000 | 4.0 | 80,000 | 650,000 | 6.0 | 120,000 |
| Birthday Gift Mineral Resource | 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.

The Exploration Target is inclusive of the previously announced JORC 2012 compliant Mineral Resource Estimate of 95,400 ounces of gold at Birthday Gift¹ (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).

¹ For full details of the Birthday Gift Mineral Resource refer to Kidman Resources Limited's ASX announcement 25/11/15 and then updated for mining depletion in Kidman's 2016 Annual Report. The information has not materially changed since then.

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.