



Barra Resources Limited

ABN: 76 093 396 859

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LETTER FROM THE MANAGING DIRECTOR

24 September 2019

Dear Shareholder,

Share Purchase Plan

On behalf of the Board of Barra Resources Ltd (ACN 093 396 859) (Barra or the Company), I am pleased to offer you the opportunity to subscribe for fully paid ordinary shares in the Company (Shares) under a Share Purchase Plan (SPP). We enclose full details of the plan which offers eligible shareholders the opportunity to acquire from \$1,000 (minimum) to \$30,000 (maximum) worth of shares at an issue price of 2 cents per share with funds going towards our forthcoming gold exploration initiatives at Burbanks and Phillips Find, completion of our Pre-Feasibility Study at the Mt Thirsty Cobalt-Nickel project and for working capital.

You will have recently received our Annual Report which outlined our achievements over the 2018-2019 financial year. This included a greater than 50% increase in our Mineral Resource at our Burbanks Gold Project and significant progress on the pre-feasibility study on our Mt Thirsty Cobalt-Nickel Project.

More recently we have received a positive Scoping Study for the Burbanks Gold Project. The study has identified shallow underground mining opportunities. No capital expenditure beyond working capital is required and a fast-track approvals process is available on our granted mining lease. The Company has opened a data room for potential mining partners to investigate options to realise useful cash flow for the Company. More importantly, the study has ratified Barra's exploration strategy to step out from existing workings and test the virgin ground between the high-grade productive underground Birthday Gift Gold Mine and Main Lode Gold Mine, separated by only 800m of strike length. The most exciting factor is that the stopes identified at Main Lode are only based on drill testing to 100m depth. We plan to double this to 200m depth with an aggressive 5,000m reverse circulation drilling campaign commencing in October 2019.

Barra's progressive work packages are being undertaken against a backdrop of volatile commodity price movements with Gold soaring above A\$2,000 per ounce and Nickel to a healthy US\$18,000 per tonne. However, Cobalt has suffered a precipitous fall from as high as \$95,000 per tonne in March 2018 to as low as \$26,000 per in August 2019. With recent mine closures announced by Glencore in the Democratic Republic of Congo, we believe this has signalled the bottom of the market and we have seen a 40% rally in the cobalt price over the last 4 weeks. On 8th September, Citi Bank published their comprehensive "Electric Vehicle Metals & Equities Outlook" which picked cobalt as the commodity most leveraged into the electric vehicle revolution. They have forecast in their base case that cobalt prices will further double to US\$70,000 per tonne into the long-term. Our share price is heavily geared towards the cobalt price recovery underway and predicted to continue.

The Mt Thirsty Cobalt-Nickel project remains well placed to providing supply to the world's need for sustainably sourced cobalt. Our competitive advantage is our low-capex atmospheric leaching flowsheet. This is very attractive to several tier one companies who all require a pre-feasibility study as their minimum investment criteria. We are striving very hard to complete the pre-feasibility study by the end of this year to feed into a rising commodity price environment and open the door to potential partnering solutions to see value finally crystallised for our shareholders.



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We are very positive about Barra's future and see significant upside from the Company's current market capitalization. We are committed to making our projects great successes, always with the goal of sustainable share price appreciation. Thank you for your ongoing support.

Yours faithfully

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

Sean Gregory

Managing Director and CEO

Barra Resources Ltd