
BARRA RESOURCES LIMITED
ABN 76 093 396 859

INTERIM FINANCIAL REPORT
31 DECEMBER 2014

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DIRECTORS' REPORT
31 DECEMBER 2014

The Directors present their report together with the financial report on Barra Resources Limited ("Barra" or "the Company"), for the half-year ended 31 December 2014.

DIRECTORS

The Directors of the Company during or since the end of the half-year are:

- Gary John Berrell
- Grant Jonathan Mooney
- Jonathan (Jon) Young (appointed 5 January 2015)
- Lindsay Grant Franker (resigned 5 January 2015)

The above named directors held office during and since the end of the half-year, unless otherwise stated.

OPERATING RESULTS

The loss from ordinary activities of the Company for the half-year ended 31 December 2014 after income tax was \$329,381 (2013: Loss \$384,553).

REVIEW OF OPERATIONS

The Company undertook the following activities during the half-year ended 31 December 2014.

BURBANKS PROJECT (Coolgardie, Western Australia)

- During the half year, mining contractor, Blue Tiger Mines Pty Ltd produced 2,632 ounces of gold. The Company retains a royalty from production commencing once the threshold of 4,000 ounces is reached.

PHILLIPS FIND PROJECT (Western Australia)

- Updating the Newminster gold resources, re-optimisation and mine design for possible resumption of mining continued throughout the period; and
- The Company received \$14,677 from the treatment of 2,775 tonnes of mineralised waste from the Phillips Find Mining Centre.

RIVERINA NICKEL PROJECT (Western Australia)

- An induced polarisation survey and diamond drilling of a disseminated sulphide nickel target at the Martins Zone Nickel Prospect was proposed by the joint venture partner Riverina Resources Pty Ltd. A decision to commence this program is pending.

MT THIRSTY JOINT VENTURE (50% owned – Norseman, Western Australia)

- There was no activity for the period.

CORPORATE

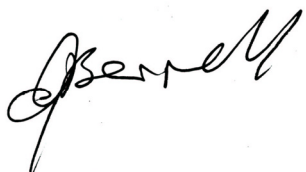
- Appointment of Mr Jon Young as a Non Executive Director.
- Resignation of Mr Lindsay Franker as a Non Executive Director.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed on 9th March 2015 in accordance with a resolution of the directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors:



GARY BERRELL
Chairman

Competent Persons Statement

The information in this report which relates to Exploration Results at Phillips Find, Burbanks and Mt Thirsty is based on information compiled by Mr Gary Harvey who is a Member of the Australian Institute of Geoscientists and a full-time employee of Barra Resources Ltd. 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" (the JORC Code). 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 the Mt Thirsty Oxide Deposit Mineral Resource is based on information compiled by Mr Alan Miller, a full time employee of Golder Associates Pty Ltd and who is a member of the Australasian Institute of Mining and Metallurgy. Mr Miller 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Miller consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates Exploration Results at Riverina is based on information compiled by Mr Anthony Gray who is a Member of The Australian Institute of Geoscientists and a full-time employee of Octagonal Resources Limited. Mr Gray has sufficient experience which is relevant to the style of and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Gray 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 the Martin's Zone Oxide Deposit Mineral Resource is based on information compiled by Mr Anthony Gray, a full time employee of Octagonal Resources Limited and who is a member of the Australian Institute of Geoscientists. Mr Gray 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Gray consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Barra Resources Limited for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
9 March 2015

D I Buckley
Partner

**CONDENSED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	Half-Year Ended 31 Dec 2014 \$	Half-Year Ended 31 Dec 2013 \$
Other income		18,117	18,102
Total Revenue		18,117	18,102
Employee benefits expense		(127,802)	(182,819)
Exploration costs written off		(32,198)	-
Depreciation expense		(11,208)	(10,977)
Consulting expenses		(75,948)	(83,784)
Rental expenses		(36,628)	(41,404)
Administration expenses		(59,912)	(55,978)
Shares and option revaluations		(20,250)	(27,000)
Other expenses from ordinary activities		(669)	(693)
Loss before income tax benefit		(346,498)	(384,553)
Income tax benefit		17,117	-
Loss after related income tax benefit		(329,381)	(384,553)
Other Comprehensive Income			
<i>Reclassification adjustments:</i>			
Impairment of available-for-sale financial assets		-	(13,500)
Total comprehensive loss for the period		(329,381)	(398,053)
		Cents	Cents
Loss per share:			
Basic earnings / (loss) per share (cents per share)		(0.09)	(0.10)
Diluted earnings / (loss) per share (cents per share)		(0.09)	(0.10)

The accompanying notes form part of these financial statements.

BARRA RESOURCES LIMITED
ABN 76 093 396 859

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 Dec 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		400,592	329,930
Trade and other receivables	3	994,432	1,452,720
Other		34,177	18,680
TOTAL CURRENT ASSETS		1,429,201	1,801,330
NON CURRENT ASSETS			
Financial assets		41,250	220,500
Rental bond		15,000	15,000
Property, plant and equipment		16,193	27,401
Exploration and evaluation	4	7,891,412	7,744,373
TOTAL NON CURRENT ASSETS		7,963,855	8,007,274
TOTAL ASSETS		9,393,056	9,808,604
CURRENT LIABILITIES			
Trade and other payables		51,564	172,310
Provisions		127,955	93,376
TOTAL CURRENT LIABILITIES		179,519	265,686
TOTAL LIABILITIES		179,519	265,686
NET ASSETS		9,213,537	9,542,918
EQUITY			
Issued capital	5	48,889,610	48,889,610
Reserves		4,900	4,900
Accumulated losses		(39,680,973)	(39,351,592)
TOTAL EQUITY		9,213,537	9,542,918

The accompanying notes form part of these financial statements.

BARRA RESOURCES LIMITED
ABN 76 093 396 859

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued Capital	Employee Equity-settled Benefits Reserve	Investment Revaluation Reserve	Accumulated Losses	Total attributable to equity holders of the entity
	\$	\$	\$	\$	\$
Balance as at 1 July 2014	48,889,610	4,900	-	(39,351,592)	9,542,918
Loss for the period	-	-	-	(329,381)	(329,381)
Total Recognised Income and Expenditure for the period	-	-	-	(329,381)	(329,381)
Balance as at 31 Dec 2014	48,889,610	4,900	-	(39,680,973)	9,213,537

	Issued Capital	Employee Equity-settled Benefits Reserve	Investment Revaluation Reserve	Accumulated Losses	Total attributable to equity holders of the entity
	\$	\$	\$	\$	\$
Balance as at 1 July 2013	48,889,610	2,139,896	13,500	(40,698,929)	10,344,077
Loss for the period	-	-	-	(384,553)	(384,553)
Total Recognised Income and Expenditure for the period	-	-	-	(384,553)	(384,553)
Write back expired options	-	(2,118,444)	-	2,118,444	-
Impairment of shares in Wild Acre Metals Limited	-		(13,500)	-	(13,500)
Balance as at 31 Dec 2013	48,889,610	21,452	-	(38,965,038)	9,946,024

The accompanying notes form part of these financial statements.

BARRA RESOURCES LIMITED
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CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-Year Ended 31 Dec 14 \$	Half-Year Ended 31 Dec 13 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from royalties	14,674	-
Payments to suppliers and employees	(430,749)	(405,276)
Tax – R&D refund	17,177	-
Interest received	7,599	14,855
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	(391,299)	(390,421)
CASH FLOWS FROM INVESTING ACTIVITIES		
Part proceeds on disposal of tenement	450,000	250,000
Payments for exploration and evaluation expenditure	(147,039)	(205,279)
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	302,961	44,721
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank guarantees returned	159,000	297,000
Repayment of loan	-	(297,000)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	159,000	-
Net increase/(decrease) in cash and cash equivalents	70,662	(345,700)
Cash and cash equivalents at the beginning of the half-year	329,930	670,577
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	400,592	324,877

The accompanying notes form part of these financial statements.

**NOTES TO AND FORMING PART OF THE CONDENSED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Barra Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

(b) Basis of preparation

The interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(c) Adoption of new and revised Accounting Standards

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

(d) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2014.

In the half-year ended 31 December 2014, management reassessed its estimates in respect of the market value of its investment in Wild Acre Metals Limited, and its provision for rehabilitation of tenements.

**NOTES TO AND FORMING PART OF THE CONDENSED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

(e) Going concern

As at 31 December 2014, the Company had cash and cash equivalents of \$400,592 and incurred a net loss for the half-year of \$329,381.

Notwithstanding the above, the Board considers that the Company is a going concern and recognises that additional funding may be required to ensure the Company can continue to fund its operations and further develop its mineral exploration and evaluation assets. The Board has made the assessment that the Company is a going concern after consideration of the following factors.

In August 2013, the Company signed an agreement with Blue Tiger Mines Pty Ltd for the sale of its Birthday Gift underground mine at the Burbanks Gold Project for a consideration of \$2,000,000 plus royalty of \$25 per ounce of gold after the first 4,000 ounces (as per Variation No 3) of gold produced. The consideration of \$2,000,000, receivable in five tranches over an 18 month period, will provide a direct cash flow for the Company. To 31 December 2014, \$1,050,000 of the sale proceeds have been received with the balance to be payable by no later than 29 May 2015.

In the event any further funding is required, this could be derived from an equity placement or selective reduction of both exploration and administrative expenditure.

Accordingly, the Directors believe the Company is a going concern and that it is appropriate to adopt that basis of accounting in the financial report.

NOTE 2: SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Company that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The chief operating decision maker of Barra Resources Limited reviews internal reports prepared as financial statements and strategic decisions of the Company are determined upon analysis of these internal reports. During the period, the Company operated predominately in one business and geographical segment being the minerals exploration sector in Western Australia. Accordingly, under the 'management approach' outlined only one operating segment has been indentified and no further disclosure is required in the notes to the financial statements.

NOTE 3: RECEIVABLES

	Half Year 31 December 2014	Year ended 30 June 2014
	\$	\$
Receivable from sale of Birthday Gift Mine (i)	950,000	1,400,000
Trade debtors	43,904	48,078
Other debtors	528	4,642
Total current trade and other receivables	994,432	1,452,720

(i) Sale of Birthday Gift Mine

On 22 August 2013, the Company sold the Birthday Gift Underground Mine at its Burbanks Gold Project, Coolgardie, Western Australia to Blue Tiger Mines Pty Ltd ("Blue Tiger"). The key terms of the agreement are:

- Blue Tiger will acquire the Burbanks mining lease (M15/161) with the sole and exclusive rights to the Birthday Gift underground workings, existing open pits, and associated infrastructure, within the Mine Area only;
- Blue Tiger will pay \$2 million in cash, with payment dates staggered over an 18 month period (note that \$450,000 of the cash was received during the half-year);
- In addition, Blue Tiger will pay a royalty of \$25 per ounce of gold after the first 4,000 ounces of gold production (as per Variation No 3, dated 17 February 2015). Total gold production to 31 December 2014 was 4,735 ounces; and
- Barra retains the sole and exclusive rights to explore for and mine gold from all the area outside of the Mine Area within the mining lease.

BARRA RESOURCES LIMITED
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NOTES TO AND FORMING PART OF THE CONDENSED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE

	Half Year 31 Dec 2014	Year ended 30 June 2014
	\$	\$
Mineral exploration and evaluation expenditure costs carried forward opening	7,744,373	9,421,342
Less: expenditure written off	(32,198)	(101,516)
Less: Sale of Birthday Gift mine	-	(1,951,542)
Add: expenditure for the period	179,237	376,089
Total Exploration and evaluation expenditure	7,891,412	7,744,373

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTE 5: ISSUED CAPITAL

	31 Dec 2014	30 Jun 2014
	\$	\$
Issued and paid up capital	48,889,610	48,889,610

	31 Dec 2014 Number	30 Jun 2014 \$
<i>Movements in ordinary shares on issue</i>		
Balance as at 1 July 2013	373,247,883	48,889,610
Movements	-	-
Closing Balance 31 December 2014	373,247,883	48,889,610

NOTE 6: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There have been no changes in contingent liabilities or contingent assets since the most recent annual report.

NOTE 7: SUBSEQUENT EVENTS

No significant events have occurred subsequent to the reporting date.

NOTE 8: FINANCIAL INSTRUMENTS

The Company has financial investments in listed securities (level 1) which are measured at fair value at the end of the reporting period. These are valued with reference to the closing market price at balance date.

In relation to other financial assets and liabilities held at balance date, the Directors consider the carrying value recognised in the financial statements approximate their fair value.


DIRECTORS' DECLARATION

In the opinion of the directors of Barra Resources Limited ("the company"):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



GARY BERRELL
Chairman

Dated in Perth this 9th day of March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Barra Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Barra Resources Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Barra Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



HLB Mann Judd
Chartered Accountants



D I Buckley
Partner

Perth, Western Australia
9 March 2015