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Project Location Map

Barra Resources Limited News Release

22 July 2016

Corporate Gold Strategy

Barra Resources Limited is pleased to present the Company's 2016-2018 Gold Strategy, focusing on unlocking value from its high quality portfolio of production and exploration assets in the Coolgardie district of Western Australia.

Funded largely through the Company's existing cash, liquid assets and royalty stream, the Gold Strategy has resulted from a board initiated detailed assessment of the Company's portfolio of gold assets, such that these high potential project areas can be advanced with value unlocked in this increasingly favourable gold market.

PHILLIPS FIND GOLD PROJECT

- ❖ Establish a sustainable medium to long-term gold mining operation.
- ❖ Principle focus on growing and developing the underground potential of the Phillips Find Mining Centre (PFMC) by continuing to explore the depth potential beneath the Newminster, Newhaven and Bacchus Gift pits.
- ❖ Ramping up exploration activities targeting the strike extension of the Phillips Find 'Mine Sequence'¹, potential repetitions of the Phillips Find 'Mine Sequence', and advancing priority prospects and other identified targets along known mineralised structures within the project area.

BURBANKS GOLD PROJECT

- ❖ Develop and explore the Burbanks Reservation Area within mining lease M15/161 (Figure 3) with particular emphasis on advanced prospects at Main Lode and Burbanks North.
- ❖ Currently assessing viability of a shallow oxide open-pit operation at Burbanks North. Infill aircore drilling program due to commence shortly to assist in procuring a potential third party mining agreement.
- ❖ Follow-up RC drilling of shallow mineralised zone up-plunge of historic Main Lode underground workings combined with a review to determine the best approach to testing the down-plunge extension to the high-grade mineralisation system at Main Lode where historical mining produced 85,900 ounces above 275 metres depth.

Strategy

In parallel with advancing the Company's cobalt project at Mt Thirsty, the Company's primary goal is to explore and develop its gold projects to return value to shareholders through capital growth. The current strategy for each project over the next 24 months is as follows.

PHILLIPS FIND GOLD PROJECT (WA)

The Phillips Find Project is centred 50km north-northwest of Coolgardie, Western Australia (Figure 1).

The core of the project is the Phillips Find Mining Centre (PFMC) where approximately 30,000 ounces of gold has been produced between 1998 and December 2015 from three open-pit operations; Bacchus Gift, Newhaven and Newminster. The most recent mining activity at the PFMC was the Newminster open-pit which was mined in two stages between January 2013 and September 2015.

With open-pit mining now complete at Newminster, the Company is now focussed on growth through exploration with the aim of establishing a medium to long-term mining operation at Phillips Find.

Barra's principle focus is on growing and developing the underground potential at the PFMC. Gold mineralisation extends beneath all three existing pits however there has been little to no drilling to test down-plunge extensions to mineralisation below 150m depth below surface (Figure 2).

We will continue to explore the depth potential beneath the Newminster, Newhaven and Bacchus Gift pits. Our initial target will be thorough testing of the zone between 150m to 300m below the surface as well as exploration to test for new deposits between the existing pits.

The Company plans to ramp up its exploration activities on the broader project area by targeting the mapped strike continuation of the Phillips Find 'Mine Sequence'¹, potential repetitions of the Phillips Find 'Mine Sequence', and advancing priority prospects and other identified targets along known mineralised structures within the project area.

Over 10 kilometres in strike coverage of the highly prospective 'Mine Sequence' is located within the project area and whilst the exact stratigraphic correlation has not yet been determined, similarities in the geological setting (layered dolerite sills and regional scale folding of the stratigraphic sequence) at Phillips Find can be observed at other nearby mining centres such as Mt Pleasant, Ora Banda and Siberia.

Planned Activities

Phillips Find Mining Centre

- Following the completion of recent RC drilling in May 2016 (see ASX Release dated 20/05/2016: *Outstanding Drilling Results at Newminster* at www.barraresources.com.au), the Company is presently working on establishing a maiden JORC2012 mineral resource for the Newminster Deposit. This will allow the Company an immediate option to consider the viability of early underground mining at Newminster to generate cash flow and open up further underground mining potential within the PFMC.
- Approximately 10,000m of RC drilling is planned to further test down-plunge extensions to mineralisation beneath Newminster, Newhaven and Bacchus Gift.
- Following RC drilling, a JORC2012 combined mineral resource estimation for the PFMC (encompassing all three deposits) will be established. The Company believes there is considerable potential to identify further mineralised zones which may ultimately be amenable to mining along strike and at depth, adding to the existing resource inventory to sustain a medium to long-term mining operation at Phillips Find.

¹ Gold mineralisation at Newminster, Bacchus Gift and Newhaven deposits is associated with the contact zone between two intrusive dolerite units separated by a thin unit of deformed basalt and sediment. The basalt and sediment is locally intruded by porphyry. The contact zone is referred to as the Phillips Find 'Mine Sequence' and is locally and regionally folded and extends along strike through the Phillips Find Project area.

Phillips Find Project Area

- The Phillips Project hosts a number of previously drilled prospects and priority targets to the north of the PFMC. Several of these are associated with the Phillips Find 'Mine Sequence' and these will be aggressively tested with RAB and RC drilling.
- An initial 5,000m of RAB and 2,000m of RC are planned to follow-up encouraging results at existing prospects.
- New auger geochemical sampling programs to included analysis of pathfinder elements not previously analysis for.
- 10,000m of RAB drilling to test new targets identified through the interpretation of new auger geochemical data in conjunction with mapping and structural data.

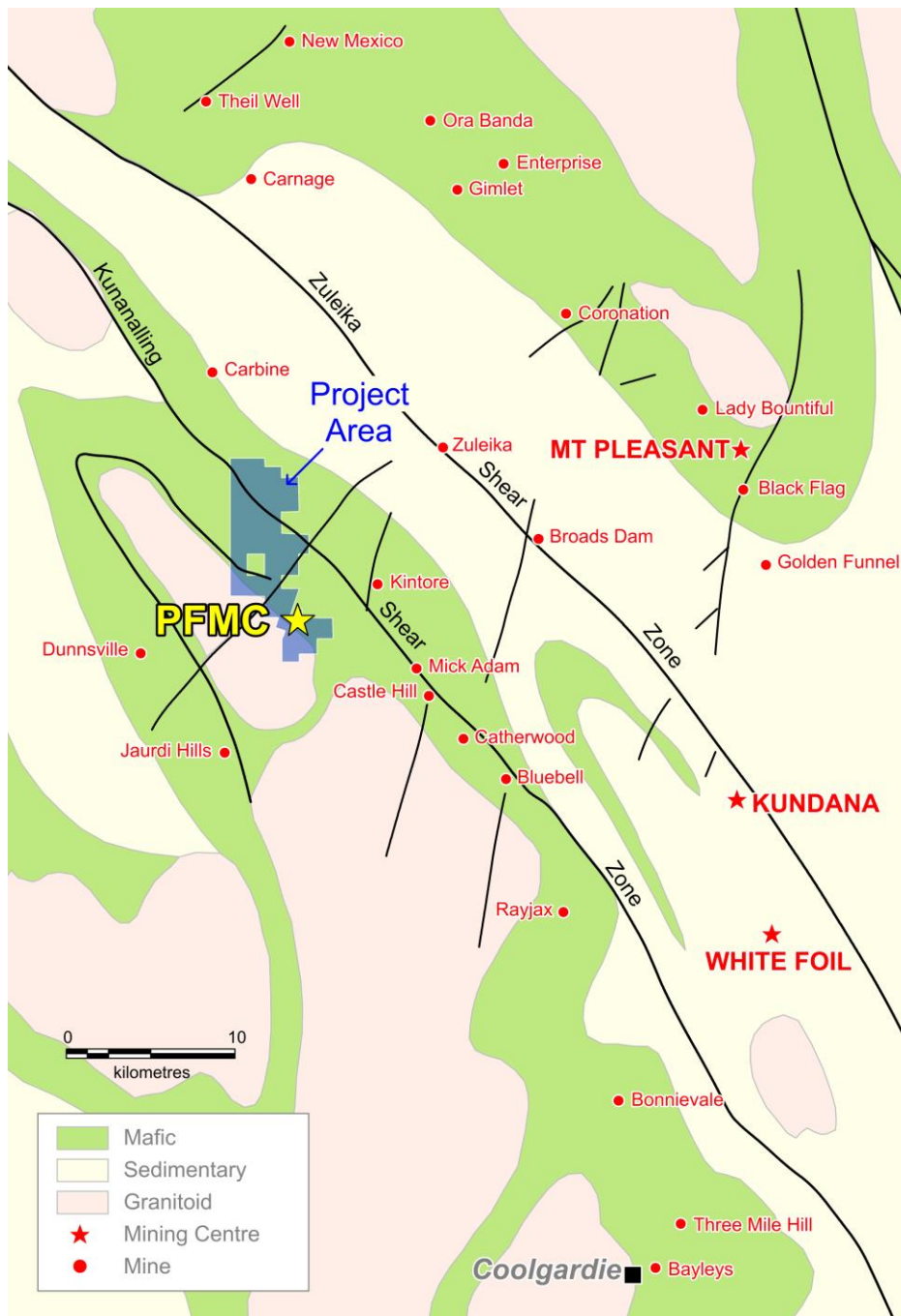


Figure 1: Regional location of Phillips Find project, GSWA geology and structure, and other gold mines in the area.

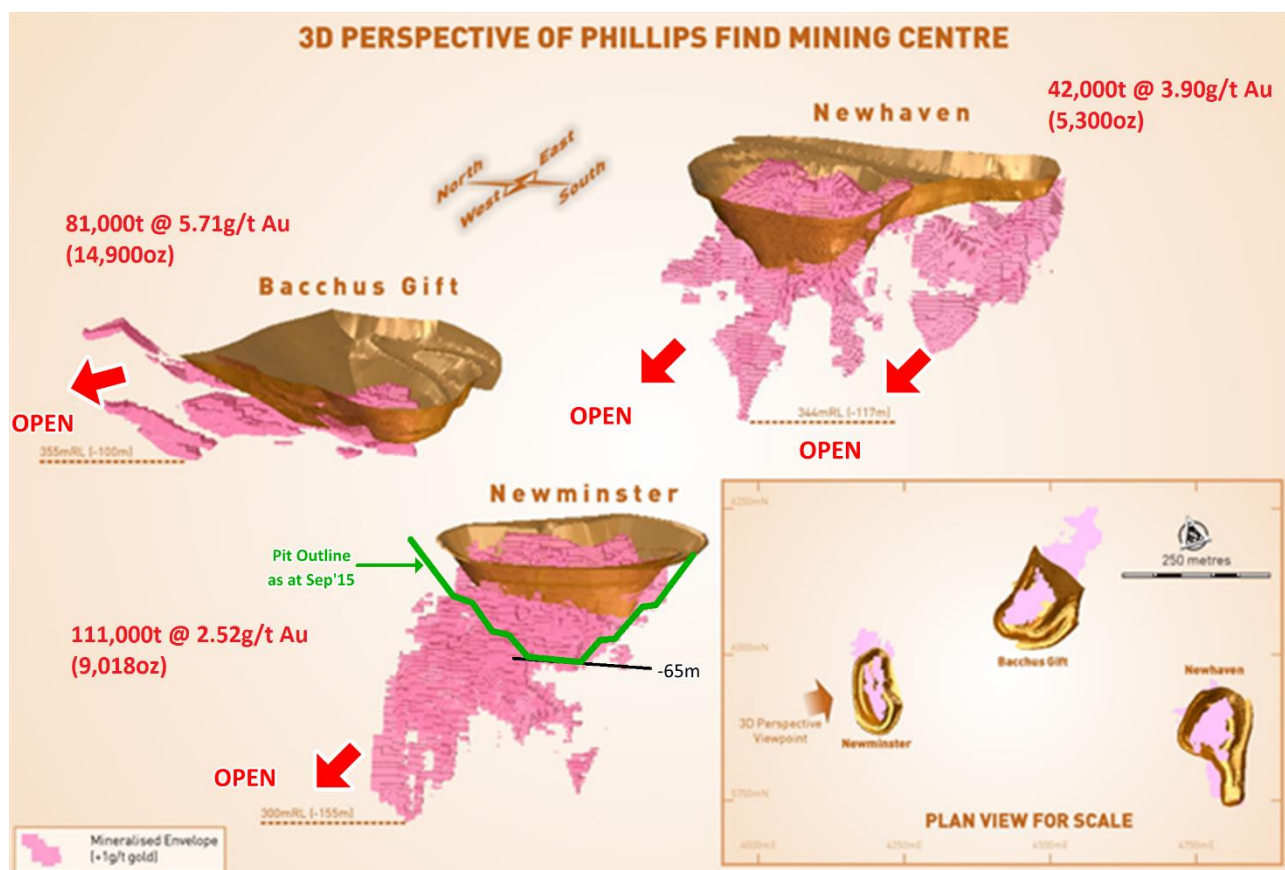


Figure 2: 3D Perspective view of the PFMC showing spatial relationship between existing pits, extensions to mineralisation beneath all pits. NO drilling has tested below 150m vertical depth.

BURBANKS GOLD PROJECT (WA)

The Burbanks Project is centred 9km southeast of Coolgardie, Western Australia.

The Company holds sole and exclusive exploration and mining rights (Reservation Rights) to certain areas within M15/161 (Figure 3). The Reservation Rights include the historical Main Lode underground mine, which produced 146,000t @ 18.3g/t Au (source: DMP Minedex System Records) for approximately 85,900ozs of gold (to a depth of 275m below surface) between 1885 and 1914, as well as several important prospects including Burbanks North, Pipeline, Fangjaw and Salmon South. The Company also holds (100%) the Kangaroo Hills prospecting licences adjacent to M15/161.

The mining lease (M15/161) is currently owned by Kidman Resources Limited (Kidman) (ASX:KDR) who operate the Birthday Gift Underground Mine within the Birthday Gift Mining Area (BGMA) (Figure 3). Barra receives a gold royalty of \$25 per ounce produced from the BGMA.

The Company's focus at Burbanks is the historic Main Lode underground mine, situated just 200m north of the BGMA (Figure's 3 to 5). Prior to selling the BGMA, Barra's long-term strategy was to access the underground workings at Main Lode by extending the Birthday Gift decline about 600m to the north and establish a drilling platform to optimally drill test and confirm the nature and extent of high-grade mineralisation along the historically developed, but un-mined Level-8 (280m below surface), where sampling by Western Mining Corporation in the late 1940's returned a spectacular pay-run of 160m grading 16.1g/t Au at an average width of 0.4m (Source: Barra Resources Limited Prospectus 2000, available to view at www.barraresources.com.au) (Figure 6).

Targeting Level-8 and below at Main Lode remains Barra's long term objective at Burbanks. Main Lode and the formerly owned Birthday Gift mine are the same mineralised system along the highly endowed Burbanks Shear Zone. Mining activity ceased at both the Main Lode and Birthday Gift underground mines initially due to World War 1, with mining resuming only at Birthday Gift. There is no known reason why mining at Main Lode did not resume after World War 1. The Company strongly believes the high-grade, steeply plunging lodes at Main Lode will extend at depth as indicated by the historical sampling along Level-8.

The Reservation Area within M15/161 covers at least 4km of strike of the Burbanks Shear Zone. Several advanced prospects are all associated with this highly endowed structure (Figure 4).

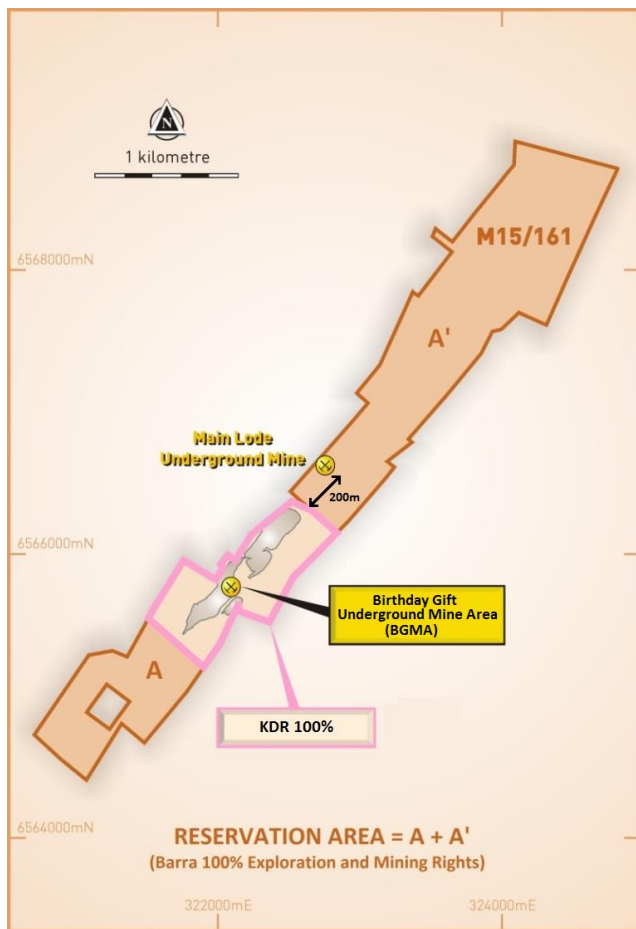


Figure 3: Plan showing Reservation Area (A-A') and the BGMA within M15/161

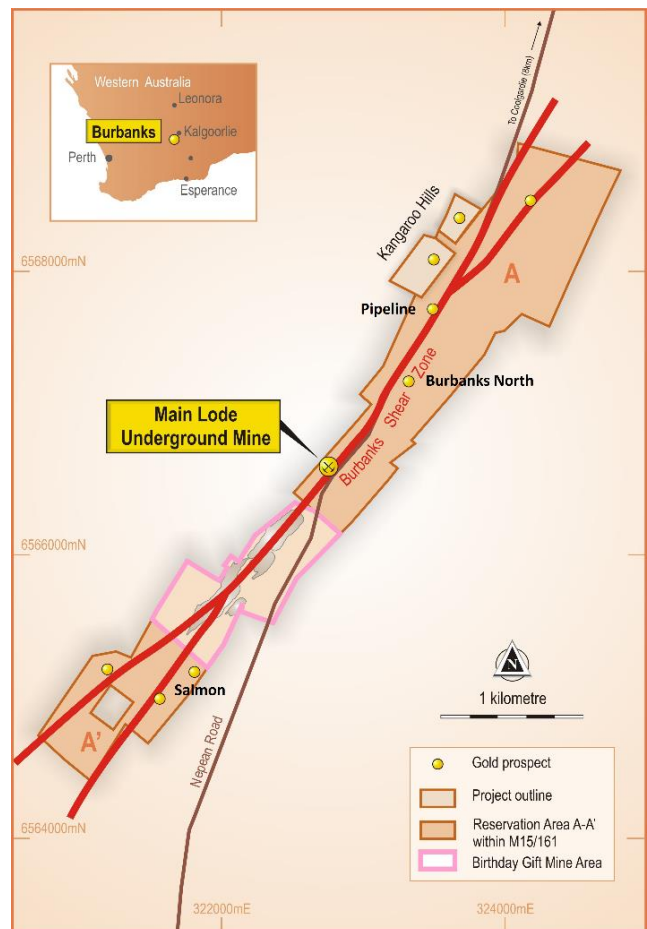


Figure 4: Location of advanced prospects and the Burbanks Shear Zone

Planned Activities

Burbanks North

- With the gold price improving in recent months, the Company initiated a review of the Burbanks North deposit. The review indicated, that at a gold price of \$1,600, a shallow oxide open-pit operation could be financially viable. The Company will be shortly commencing a 2,200m aircore program seeking to further validate the results of the review and confirm a small open pit operation will indeed be financially viable. The results of the program will assist in procuring a third party mining agreement.

The option to mine a shallow oxide open-pit at Burbanks North falls in-line with the Company's short term strategy of self-funding its activities through monetising small, yet profitable gold deposits.

Main Lode (Near Surface)

- An evaluation completed in 2015 identified a continuous zone of mineralisation (grading above 1.0g/t Au) over a strike length of 400m (from 25m and 100m below the surface) located between the BGMA north boundary and the Main Lode shaft (Figure 6). Subject to further review, the Company aims to continue testing this zone of mineralisation with further RC drilling.

Main Lode (Underground)

Due to the sale of the Birthday Gift Mine Area, Barra's previous strategy to access Main Lode via an extension of the Birthday Gift decline is no longer a readily accessible option.

Following the cessation of Barra's mining activities at Birthday Gift and its subsequent sale, the Company has been reluctant to commit to deep diamond drilling from surface because it presented a high risk to limited cash flow during uncertain economic times bought on by the well documented Global Financial Crisis (GFC). Due to these circumstance, since 2008, the Company restrained its activities at Main Lode and shifted its focus to

Phillips Find where it successfully mined at Newminster to generate cash to maintain survival through the GFC and the ensuing period of poor market sentiment.

With market conditions now more favourable and the rise in the Australian dollar gold price, the Company believes now is the time to revisit Main Lode to realise its untapped potential.

- A review will investigate how to optimally drill test and unlock the depth potential of Main Lode.

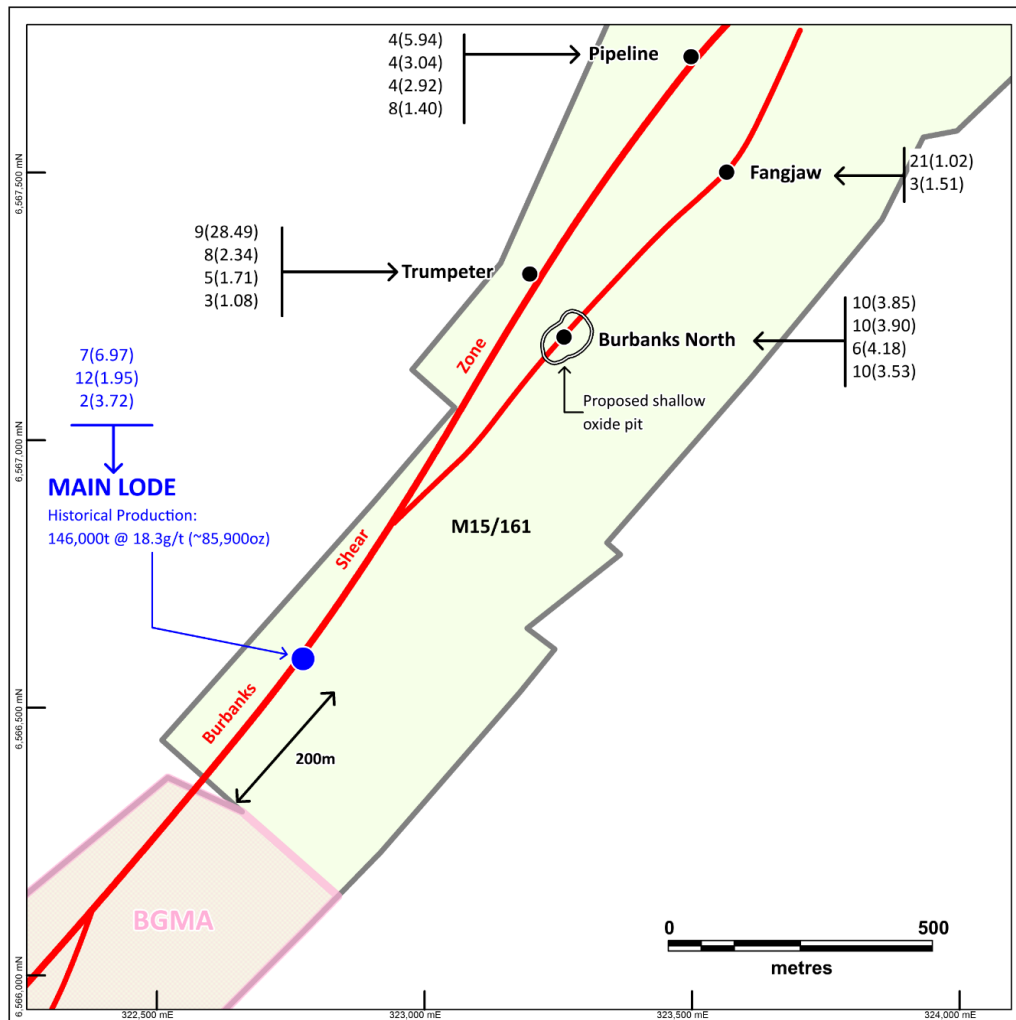


Figure 5: Location of Burbanks North in relation to Main Lode and other prospects within the Reservation Area [Note: 9(28.49) = 9m grading 28.49g/t Au, down-hole width]*

* Intersections shown in diagram are from RC drilling by Barra completed between 2008 and 2010 and previously reported in the following ASX Releases which can be viewed at www.barraresources.com.au: 2/07/2010 Burbanks North Yields New Shallow Gold Zone, 13/09/2010 Follow-up Drilling Results at Trumpeter, 19/03/2008 Burbanks Update, 28/08/2008 Burbanks Mainlode RC Update, and December 2006 Quarterly Report.

The Company is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and parameters used in the relevant market announcements continue to apply and have not materially changed.

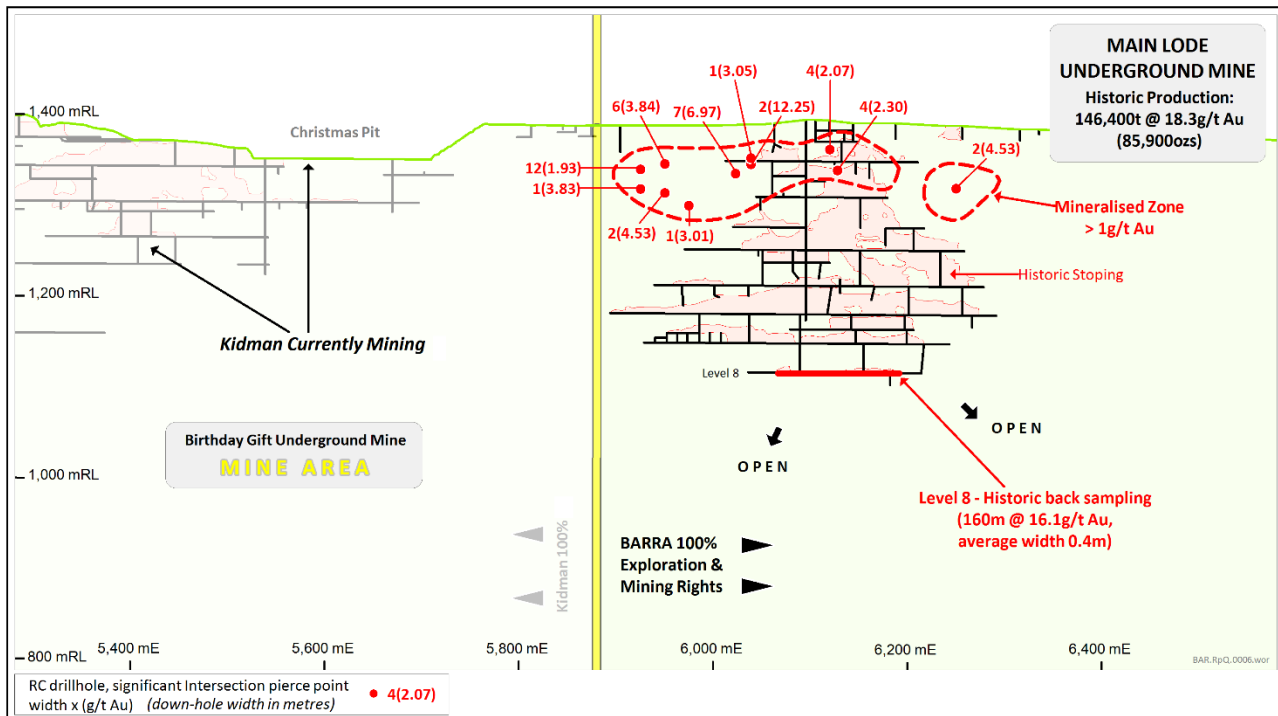


Figure 6: Long section of Main Lode underground mine in relation to BGMA. Also shows near surface mineralised zone ($\geq 1.0\text{g/t Au}$ lower cut) [Note: $7(6.97) = 7\text{m grading } 6.97\text{g/t Au}$, down-hole width]*. Unmined Level-8 remains open down-lunge and untested.

* Intersections shown in diagram are from historic RC drilling and RC drilling by Barra completed in 2008 and previously reported in the following ASX Release which can be viewed at www.barraresources.com.au; 28/08/2008 Burbanks Mainlode RC Update.

The Company is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and parameters used in the relevant market announcements continue to apply and have not materially changed.

Gary Berrell

GARY BERRELL
Executive Chairman

Abbreviations

AC=Aircore, Au=gold, Co=cobalt, DEC=Department of Environment and Conservation, DD=Diamond, DMP=Department of Mines and Petroleum, g=grams, g/t=grams per tonne, kg=kilograms, km=kilometres, lb/s=pound/s, LME=London Metal Exchange, lt=litre, m=metres, min=minutes, ml=millilitre, mm=millimetre, Mn=manganese, Mt=million tonnes, Ni=nickel, oz/s=ounce/s, pH=measure (1-10) of acidity (1 acid, 7 neutral, 10 basic), ppb=parts per billion, ppm=parts per million, RAB=Rotary Air Blast, RC=Reverse Circulation, RL=Reduced Level, t=tonnes, tpa=tonnes per annum μm =micro metres, @= grading, %=percent, °C=degrees celsius.

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 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.

Competent Persons Statement

The information in this report which relates to Exploration Targets, Exploration Results and Mineral Resources is based on and fairly represents 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.