



CHAIRMANS UPDATE

Dear Investor,

The first part of 2016 has started well for Barra. We have seen a strong increase in our share price and market capitalisation. A number of shareholders and investors are asking what the key drivers are for this jump in value. Your Board of Directors see this as an opportune time to provide a brief update on why we are highly optimistic about our project portfolio and what lays ahead for Barra in 2016 and beyond.

How is Barra positioned to benefit from rising cobalt demand?

Barra has excellent exposure to the cobalt market through our 50% interest in the Mt Thirsty Cobalt Project, located in the south eastern goldfields of Western Australia.

The rapid development in battery technology is there for all to see. Key inputs in modern batteries are the metals lithium and cobalt.

Much attention has been given to lithium demand and the share price of listed explorers and emerging producers have sky-rocketed in recent months. However, little has been said about cobalt.

I believe the supply/demand imbalance will inevitably drive cobalt prices. Demand is likely to escalate exponentially with battery production, however supply is uncertain due to:

- Over 60% of global supply coming from the politically unstable African countries such the Democratic Republic of Congo, Central African Republic and Zambia.
- Cobalt is largely a by-product of copper and nickel mining and there are an increasing number of mine closures and project deferments due to low commodity prices.

The undeveloped Mt Thirsty cobalt project (50:50 Barra and Conico (ASX: CNJ) ownership) has a significant JORC resource with a potential to have a long mine life.

As well, Mt Thirsty is close to all necessary infrastructure, is in a mining orientated state and has the potential to attract a variety of interest. The JV partners are working collaboratively to exploit this joint opportunity.

Phillips Find: Exploration drilling underway

The Company is currently conducting a 1,000 metre drilling campaign targeting depth extensions beneath the recently mined Newminster Pit. With good results from this drilling, the Company expects to push ahead to tender for an underground mining operation. This is consistent with our strategy of developing our assets on a risk-neutral basis with profits earned from these operations re-invested in future drilling programs.

Burbanks: Kidman Resources royalty stream

Kidman Resources (ASX: KDR) has recently announced more high grade gold intersections from its Birthday Gift Mine at Burbanks. They state they are planning for annual productions of 30,000 ounces. Barra receives a \$25 per ounce royalty and we wish Kidman well in their endeavours.

Burbanks North: Potential being unlocked

We are currently investigating the possibility of doing a small open pit operation at our 100% owned Burbanks North tenement. This specific area is immediately to the north of our Main Lode underground mine

(historical production of 146,400 tonnes grading 18.3 g/t for 85,900 ounces) Our geological staff and consultants are reviewing data and assessing the economics of starting up another operation. This area has been relatively untouched for many years but at current prices and overlaying a sensible risk/reward strategy we have a very open mind on this area's future.

We will keep you informed as our review reaches some conclusion.

Final comment:

The reasons for our share price appreciation is most likely a combination of factors rather than a single event. It could be argued the sell down to 0.5 cent was somewhat ridiculous given the value of our assets, and those investors who bought there are now being rewarded. The global focus on lithium has now, rightly, reflected some light on cobalt and its role as a necessary component in battery manufacture. We are very bullish on the future of cobalt and are firmly of the view Mt Thirsty is grossly undervalued. It is the Board's task to get more market focus on this asset. We continue to fund our activities by sensibly developing our gold assets and thus preserve our equity holders' interests. We know this appeals to new investors by feedback we have received from them.

As always, feel free to contact the Company by email or phone at any time.

Regards



GARY BERRELL
Chairman

19 April 2016

Competent Persons Statement

The information in this report which relates to Exploration Results is based on information compiled by Gary Harvey who is a Member of the Australian Institute of Geoscientists and a full-time employee of Barra Resources Limited. Gary 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". Gary 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 Newminster Indicated and Inferred Mineral Resources is based on information compiled by Andrew Moulds, a full-time employee of Goldfields Mining Services, who is a Member of the Australian Institute of Geoscientists. Andrew Moulds 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". Andrew Moulds consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.