



DRILLING PLANNED TARGETING HISTORIC HIGH GRADE ZONE AT MAIN LODGE GOLD MINE

- **Drilling to target Main Lodge Underground Mine's unmined '8 Level'**
- **Historical channel sampling by Western Mining Corporation returned 160 metres grading 16.1 grams per tonne gold at an average width of 0.4 metres**
- **Drilling consistent with Barra's gold strategy to build resource base for future mining operations**

Barra Resources Limited ('Barra' or the 'Company') is pleased to announce the recommencement of exploration drilling at the historic Main Lodge Gold Mine at its Burbanks Project, 9km south of Coolgardie, Western Australia. The Main Lodge Gold Mine lies within Barra's exclusive Reservation Area within mining lease M15/161, which is held by Kidman Resources Limited (KDR) (Figure 1).

In-line with the Company's Gold Strategy (*ASX Release 22nd July 2016; "Corporate Gold Strategy", available to view at www.barraresources.com.au*) and following the recent drilling success at Burbanks North, the Company is now targeting the high-grade Main Lodge Gold Mine with the aim of further expanding its gold resource inventory.

The Company is currently preparing its first phase of reverse circulation (RC) and diamond drilling programs to test the upper and lower levels of the mine environment where high grade mineralization has been encountered from historical operations. RC drilling will target an area approximately 400 metres in strike to a vertical depth of 100 metres below the surface whilst diamond drilling will test below Level 8 from 280 to 380 metres below the surface (Figure 2).

Aside from a small number of historical drillholes, including five (5) RC holes drilled by Barra in 2008, this will be the first significant and extensive drilling program at Main Lodge. RC drilling by Barra in 2008 has already confirmed that high-grade mineralisation extends up-dip from the historically mined levels with intersections of 7.0 metres grading 6.8 grams per tonne gold, 12.0 metres grading 2.0 grams per tonne gold, and 2.0 metres grading 3.7 grams per tonne gold (*ASX Release 28th August 2008; "Burbanks Mainlode RC Drilling Update", available to view at www.barraresources.com.au*).

The 'big unknown' is what lies down deep. Between 1946 and 1951, Western Mining Corporation sampled the deepest level of the mine, Level 8, a level that was developed but never mined. Channel sampling returned a spectacular pay-run of 160 metres grading 16.1 grams per tonne average 0.4 metres in width and indicates that the high-grade system continues at depth. No drilling has ever tested the down-plunge extensions to the high-grade system.

An initial diamond hole will be drilled to test an area immediately below Level 8 within the interpreted high-grade core of the plunging system. As the first real test of the veracity of sampling reported on Level 8, this initial diamond hole will be high-risk and investigative in nature. The Company is confident however after successfully confirming the veracity of historic Level 7 channel sampling at the adjacent Birthday Gift Gold Mine between 2006 and 2008, when it was still owned by the Company.

Permitting for the drilling program is presently underway and, subject to timely government approval, commencement of drilling is scheduled to commence during the current quarter.

Background

Between 1885 and 1914, the Main Lode Gold Mine produced 146,000 tonnes grading 18.3 grams per tonne gold for approximately 85,900 ounces of gold. The Burbanks Mining Centre, which includes the Main Lode Gold Mine and the neighboring Birthday Gift Gold Mine, 900 metres to the south, was one of the richest gold mining areas in the Eastern Goldfields of Western Australia until the onset of World War 1.

At Main Lode, underground stoping stopped at Level 7, a vertical depth of 240 metres below surface level (b.s.l.). Level 8, at 275 b.s.l., was developed but not mined. Between 1946 and 1951, Western Mining Corporation (WMC) accessed Level 8 and undertook extensive channel sampling of the backs yielding a pay-run of 160 metres grading 16.1 grams per tonne gold at an average width of 0.4 metres. This zone remains untested by modern drilling and will be a focus for Barra under its gold strategy moving forward.

The Burbanks Project has a proven production history with more than 400,000 ounces produced at the Birthday Gift and Main Lode mines since 1885. Barra has held an interest in the project area since 1999 where it has produced 36,000 ounces in its own capacity and via tribute mining agreements with third parties. Barra sees the Burbanks Project area, specifically the Main Lode Gold Mine as having excellent potential to host larger high-grade lodes at depth.

The high-grade gold systems that host the Main Lode and Birthday Gift Gold Mines is controlled by the Burbanks Shear Zone. The shear zone is host to numerous gold prospects including Burbanks North (ASX Release 25th August 2016; "Excellent Drill Results Move Burbanks North Closer To Production", available to view at www.barraresources.com.au) located just 900 metres along strike to the north of the Main Lode Gold Mine.

The Company's Chairman and CEO, Gary Berrell said "We look forward with great anticipation to the first phase of what we hope will be an extensive investigation of the historic high grade Main Lode Gold Mine and the broader mineralized system. Limited data on past drilling highlights the speculative nature of the exploration program but in no way limits our enthusiasm to undertake such a program."

A handwritten signature in black ink, appearing to read 'G. Berrell'.

Gary Berrell
Chairman & CEO
Barra Resources Limited

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 Ltd. 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.

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.

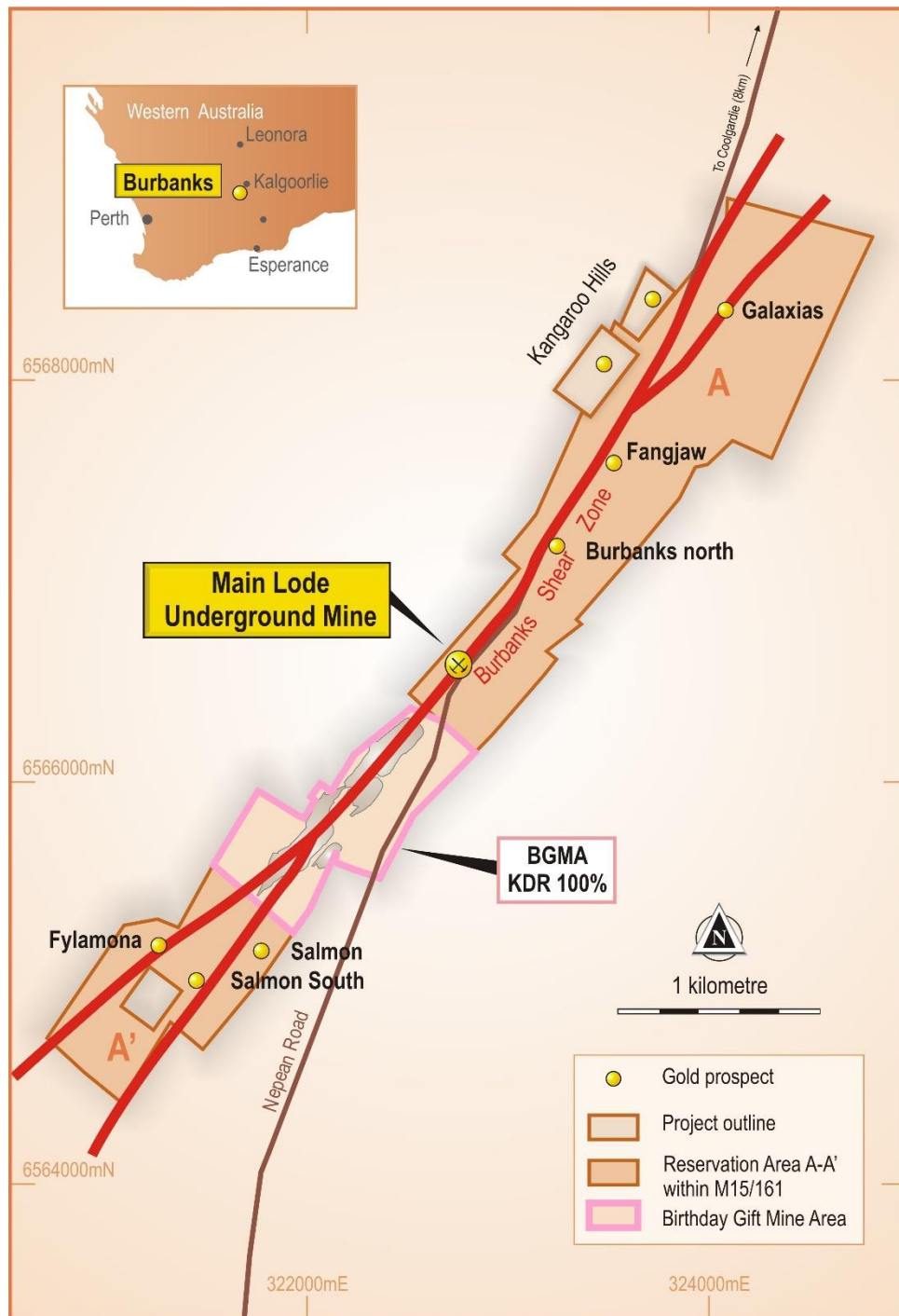


Figure 1: Burbanks Project showing location of the Main Lode Gold Mine and separation of rights to Mining Lease M15/161. Barra has 100% rights to explore and mine on area A-A' (Reservation Area).

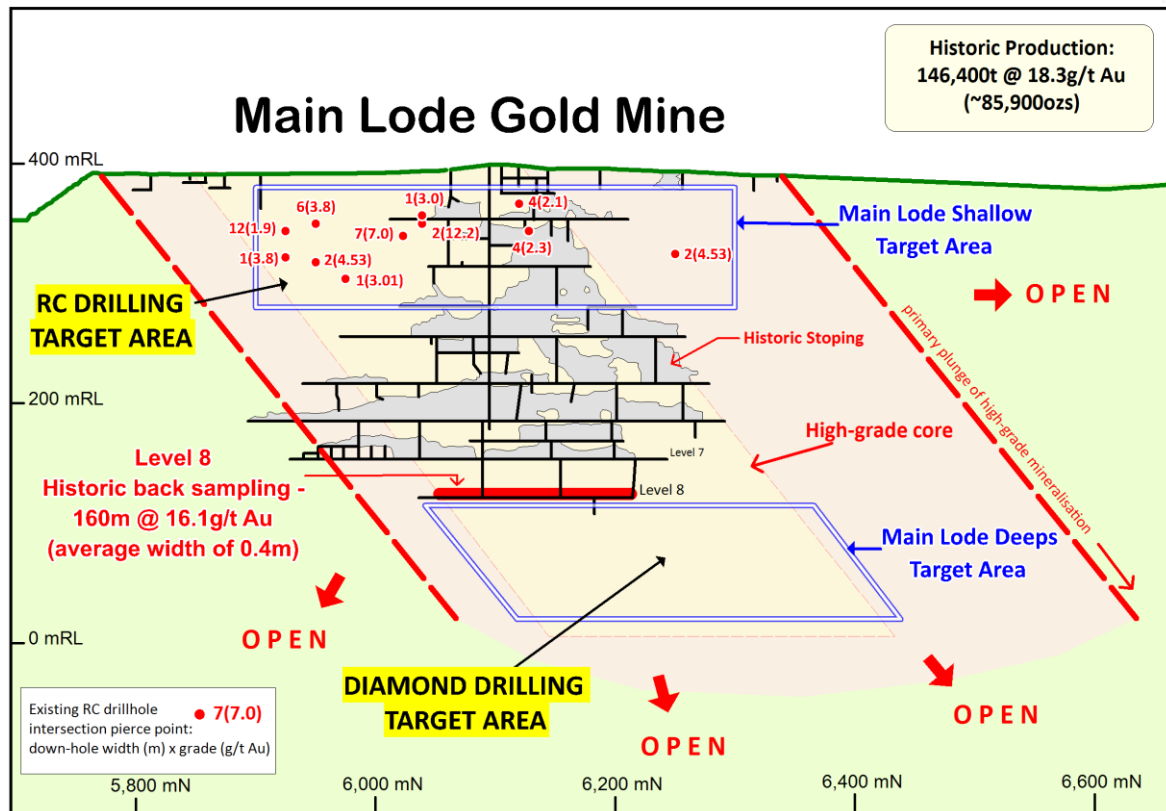
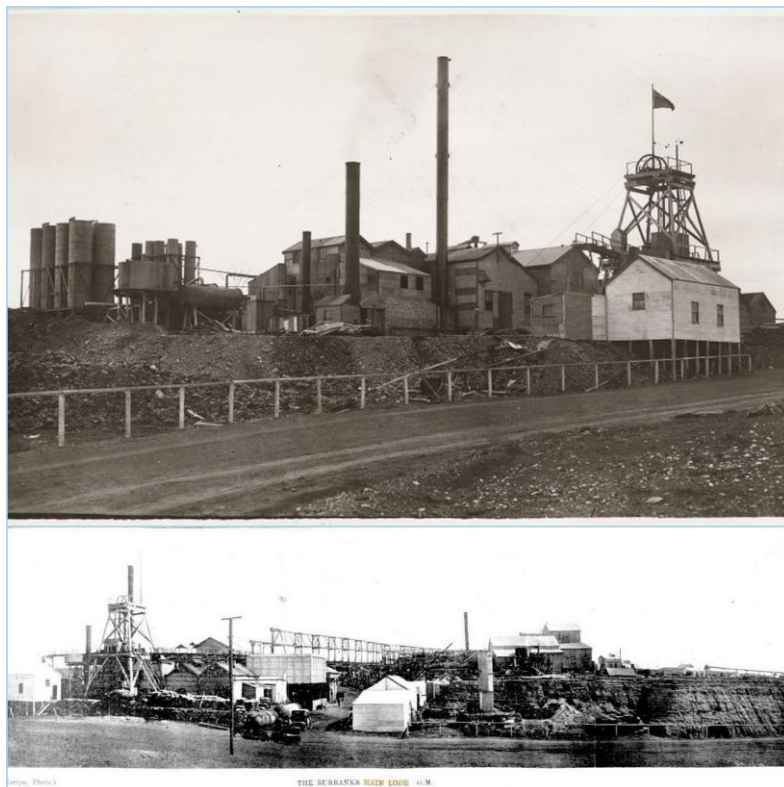


Figure 2: Burbanks Main Lode Gold Mine schematic long section showing historic mining areas, plunge of high-grade gold mineralisation and target areas for drilling

* 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.



Collage of historic images of mining at Burbanks Main Lode Gold Mine between 1898 and 1913.
(Source: Trove - National Library of Australia)