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**BARRA RESOURCES LIMITED**  
**ABN 76 093 396 859**

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**INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2015**

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**DIRECTORS' REPORT**  
**31 DECEMBER 2015**

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 2015.

**DIRECTORS**

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

- Gary Berrell
- Grant Mooney
- Jonathan (Jon) Young

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

**OPERATING RESULTS**

The profit from ordinary activities of the Company for the half-year ended 31 December 2015 after income tax was \$294,846 (2014: Loss \$329,381).

**REVIEW OF OPERATIONS**

The Company undertook the following activities during the half-year ended 31 December 2015.

**PHILLIPS FIND PROJECT (Western Australia)**

Stage 2 mining of the Newminster deposit completed.

- 56,996 tonnes of ore milled with 4,054 ounces recovered.
- Barra received \$150,000 in "right-to-mine" and gold royalty payments with a further \$320,000 outstanding at end of period.
- Geochemical orientation study completed and report received.
- Pathfinder element suites recognised for orogenic gold mineralisation at Newminster, Newhaven, Truth and Diablo prospects.
- End of hole RAB chip collection and lithogeochemical analysis in progress at end of period.
- Target generation and prioritisation process in progress at end of period.

**BURBANKS PROJECT (Coolgardie, Western Australia)**

- Kidman Resources Limited / Blue Tiger Mines Pty Ltd produced 4,145 ounces of gold generating \$103,625 in Royalty revenue to Barra for the period.
- Development options for Main Lode underground mine (100% owned) continue to be assessed by the Company.

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

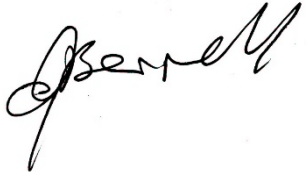
- Assessment of development options for cobalt production options at oxide resource continued during the period.
- Retention Licence application (R63/4) over E63/373 has reached notification stage and is anticipated to be granted in the second quarter of 2016, allowing for the approvals processes to run their course.

**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 11<sup>th</sup> March 2016 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 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.



Accountants | Business and Financial Advisers

## **AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Barra Resources Limited for the half-year ended 31 December 2015, 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**  
**11 March 2016**

A handwritten signature in blue ink, appearing to read 'D I Buckley'.

**D I Buckley**  
**Partner**

**BARRA RESOURCES LIMITED**  
**ABN 76 093 396 859**

**CONDENSED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	Half-Year Ended 31 Dec 2015 \$	Half-Year Ended 31 Dec 2014 \$
Royalty income		569,446	-
Other income		209,820	18,117
<b>Total Revenue</b>		<b>779,266</b>	<b>18,117</b>
Employee benefits expense		(140,580)	(127,802)
Exploration costs written off		(195)	(32,198)
Depreciation expense		(9,422)	(11,208)
Consulting expenses		(45,440)	(75,948)
Rental expenses		(38,210)	(36,628)
Administration expenses		(223,736)	(59,912)
Share-based payments	9	(26,400)	-
Shares and option revaluations		-	(20,250)
Other expenses from ordinary activities		(437)	(669)
<b>Total Expenses</b>		<b>(484,420)</b>	<b>(364,615)</b>
<b>Profit/(loss) before income tax benefit</b>		<b>294,846</b>	<b>(346,498)</b>
Income tax benefit		-	17,117
<b>Profit/(loss) after related income tax benefit</b>		<b>294,846</b>	<b>(329,381)</b>
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Change in fair value of available-for-sale financial assets		52,313	-
<b>Total comprehensive income/(loss) for the period</b>		<b>347,159</b>	<b>(329,381)</b>
		Cents	Cents
<b>Loss per share:</b>			
Basic earnings / (loss) per share (cents per share)		0.08	(0.09)
Diluted earnings / (loss) per share (cents per share)		0.08	(0.09)

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 2015**

	Note	31 Dec 2015 \$	30 June 2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		824,119	1,038,996
Trade and other receivables	3	391,348	87,385
Other		26,731	6,760
<b>TOTAL CURRENT ASSETS</b>		<b>1,242,198</b>	<b>1,133,141</b>
<b>NON CURRENT ASSETS</b>			
Financial assets		86,205	33,893
Rental bond		15,000	15,000
Property, plant and equipment		39,753	49,208
Exploration and evaluation	4	8,196,848	8,017,143
<b>TOTAL NON CURRENT ASSETS</b>		<b>8,337,806</b>	<b>8,115,244</b>
<b>TOTAL ASSETS</b>		<b>9,580,003</b>	<b>9,248,385</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		81,150	80,170
Provisions		79,579	122,500
<b>TOTAL CURRENT LIABILITIES</b>		<b>160,729</b>	<b>202,670</b>
<b>TOTAL LIABILITIES</b>		<b>160,729</b>	<b>202,670</b>
<b>NET ASSETS</b>		<b>9,419,274</b>	<b>9,045,715</b>
<b>EQUITY</b>			
Issued capital	5	48,889,610	48,889,610
Reserves		83,613	4,900
Accumulated losses		(39,553,949)	(39,848,795)
<b>TOTAL EQUITY</b>		<b>9,419,274</b>	<b>9,045,715</b>

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 2015**

	Issued Capital	Employee Equity-settled Benefits Reserve	Investment Revaluation Reserve	Accumulated Losses	Total attributable to equity holders of the entity
	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2015</b>	<b>48,889,610</b>	<b>4,900</b>	<b>-</b>	<b>(39,848,795)</b>	<b>9,045,715</b>
Profit for the period	-	-	-	294,846	294,846
Revaluation of shares in Wild Acre Metals Limited	-	-	52,313	-	52,313
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>52,213</b>	<b>294,846</b>	<b>347,159</b>
Issue of 3,000,000 Directors options exercisable at \$0.02 by 11/11/18	-	10,500	-	-	10,500
Issue of 3,000,000 Directors options exercisable at \$0.03 by 11/11/18	-	8,700	-	-	8,700
Issue of 3,000,000 Directors options exercisable at \$0.04 by 11/11/18	-	7,200	-	-	7,200
<b>Balance as at 31 Dec 2015</b>	<b>48,889,610</b>	<b>31,300</b>	<b>52,313</b>	<b>(39,553,949)</b>	<b>9,419,274</b>

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

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 2015**

	<b>Half-Year Ended 31 Dec 15 \$</b>	<b>Half-Year Ended 31 Dec 14 \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from royalties	443,157	14,674
Payments to suppliers and employees	(489,270)	(430,749)
Research & Development tax refund	-	17,177
Interest received	10,041	7,599
	<hr/>	<hr/>
<b>NET CASH FLOWS (USED IN) OPERATING ACTIVITIES</b>	<b>(36,072)</b>	<b>(391,299)</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Part proceeds on disposal of tenement	-	450,000
Purchase of property, plant and equipment	900	-
Payments for exploration and evaluation expenditure	(179,705)	(147,039)
	<hr/>	<hr/>
<b>NET CASH FLOWS (USED IN)/PROVIDED BY INVESTING ACTIVITIES</b>	<b>(178,805)</b>	<b>302,961</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank guarantees returned	-	159,000
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<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>	<b>-</b>	<b>159,000</b>
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	(214,877)	70,662
Cash and cash equivalents at the beginning of the half-year	1,038,996	329,930
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<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<b>824,119</b>	<b>400,592</b>
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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 2015**

**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 2015 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 2015. 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 2015.

In the half-year ended 31 December 2015, 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.

**BARRA RESOURCES LIMITED**  
**ABN 76 093 396 859**

**NOTES TO AND FORMING PART OF THE CONDENSED FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

**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 identified and no further disclosure is required in the notes to the financial statements.

**NOTE 3: RECEIVABLES**

	<b>Half Year 31 Dec 2015</b>	<b>Year ended 30 June 2015</b>
	\$	\$
Trade debtors	391,098	84,925
Other debtors	250	2,460
<b>Total current trade and other receivables</b>	<b>391,348</b>	<b>87,385</b>

**NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE**

	<b>Half Year 31 Dec 2015</b>	<b>Year ended 30 June 2015</b>
	\$	\$
Mineral exploration and evaluation expenditure costs carried forward		
Opening balance	8,017,143	7,744,373
Less: expenditure written off	(195)	(1,333)
Add: expenditure for the period	179,900	274,103
<b>Total Exploration and evaluation expenditure</b>	<b>8,196,848</b>	<b>8,017,143</b>

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**

	<b>31 Dec 2015</b>	<b>30 Jun 2015</b>
	\$	\$
Issued and paid up capital	48,899,610	48,899,610
	<b>31 Dec 2015</b>	<b>30 Jun 2015</b>
	Number	\$
<i>Movements in ordinary shares on issue</i>		
Opening balance	373,247,883	48,889,610
Movements	-	-
<b>Closing balance</b>	<b>373,247,883</b>	<b>48,889,610</b>

**NOTE 6: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**NOTES TO AND FORMING PART OF THE CONDENSED FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

**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.

**NOTE 9: SHARE-BASED PAYMENTS**

On 11 November 2015 shareholders approved the issue of a total of 9,000,000 options to Directors. Using the Black & Scholes options valuation and methodology, the fair value of the options issued were calculated. The following inputs were used:

INPUT	DIRECTOR OPTIONS @ \$0.02	DIRECTOR OPTIONS @ \$0.03	DIRECTOR OPTIONS @ \$0.04
Share price	\$0.008	\$0.008	\$0.008
Grant date	11-Nov-15	11-Nov-15	11-Nov-15
Expected volatility	100%	100%	100%
Expiry date	11-Nov-18	11-Nov-18	11-Nov-18
Risk free interest rate	2.00%	2.00%	2.00%
Value per option	\$0.0035	\$0.0029	\$0.0024
Number of options	3,000,000	3,000,000	3,000,000
Value of options	\$10,500	\$8,700	\$7,200

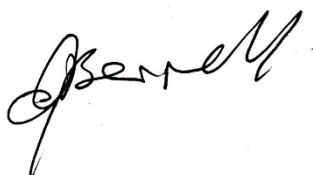
**DIRECTORS' DECLARATION**

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 2015 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 11<sup>th</sup> day of March 2016

**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 2015, the condensed statement of profit or loss and other 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 2015 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 2015 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**  
**11 March 2016**