



CHAIRMAN'S UPDATE

Dear Investor,

The last quarter has been a period of unprecedented turnover in our stock with excellent price appreciation.

Our average daily turnover for the quarter was just under four million shares per day. More importantly, the price was trending in the right direction.

What was the reason?

We have believed for a long time that the market has been undervaluing our gold assets and our fifty percent equity holding in the Mt Thirsty Cobalt Project.

We are somewhat unique in the small cap mining sector because we have been able to fund our activities for over five years now, without having to dilute our shareholder's equity. We have done this by efficiently monetising our gold assets and with careful management of our valuable cash.

The spark for the renewed interest in Barra came as a result of the global boom in lithium stocks. Initially overlooked, cobalt then came to prominence as a required component in many varieties of rechargeable lithium-ion batteries. With the vast majority of cobalt produced as a by-product from nickel and copper mining, the uncertain state of nickel and copper mines has raised concerns about future cobalt supply. The Mt Thirsty Cobalt Project has the potential to become a significant cobalt player given the grade and in-situ resource that the deposit hosts; the Total Resource (Table 1) contains approximately 40,000 tonnes of cobalt metal. Critically, we have marketed Mt Thirsty as a stand-alone cobalt project, not as a by-product of a nickel mine. This has by-passed many investors' concerns about being exposed to historically low nickel prices and has given the Mt Thirsty project some well-deserved limelight.

To keep the momentum going, the Mt Thirsty Joint Venture has decided to launch a new website, solely dedicated to the Project. I encourage all investors to visit this new website: www.mtthirstycobalt.com

The website contains a lot of the background historical information about the work that has been done by the Joint Venture partners over the last 10 years to develop the project. The new addition is a video animation that you can view by clicking on the arrow on the cover page. To request further information about the project please go to the 'Contact' tab and fill out the request form.

After the initial flurry of interest in our company from those investors looking for cobalt exposure, the realisation came to many that our gold assets had current income generating potential but also a big untapped potential from highly prospective holdings within the Phillips Find Mining Centre (PFMC). The PMFC is located in the heart of the Kalgoorlie-Coolgardie mining district of Western Australia where infrastructure abounds. We believe this has convinced new investors to take a longer, medium term view on their Barra holdings. We have recently completed an update of our three year strategic plan on developing our gold assets and an all-encompassing corporate presentation which will be released to the market very shortly.

We take pleasure in welcoming our new investors that have recently joined our register and thank our long term shareholders who we are confident will see this return in shareholder value as only the start of an exciting new phase of growth for Barra.



Regards,

GARY BERRELL
Chairman

6th July 2016

Category	Million Tonnes	Co %	Ni %	Mn %	Fe %	Mg%	Al %
Indicated Resource	16.60	0.14	0.60	0.98	25.18	2.63	4.26
Inferred Resource	15.34	0.11	0.51	0.73	18.1	3.65	3.37
Total Resource	31.94	0.123	0.55	0.86	21.64	3.14	3.81

Table 1: Mt Thirsty Cobalt Deposit Mineral Resource Estimate (using a 0.06% lower cut-off), 2011.

The Mt Thirsty Co-Ni Oxide Deposit mineral resource was prepared and first reported in accordance with the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported; refer to ASX announcement 8th March 2011: "Resource Upgrade Mt Thirsty Cobalt-Nickel Oxide Deposit", available to view at www.barraresources.com.au.

The Company is not aware of any new information or data that materially affects the information included in the previous announcement and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

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 Mt Thirsty Mineral Resource is based on information compiled by Alan Miller, formerly an employee of Golder Associates Pty Ltd and who is a member of the Australasian Institute of Mining and Metallurgy. Alan 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Alan 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.

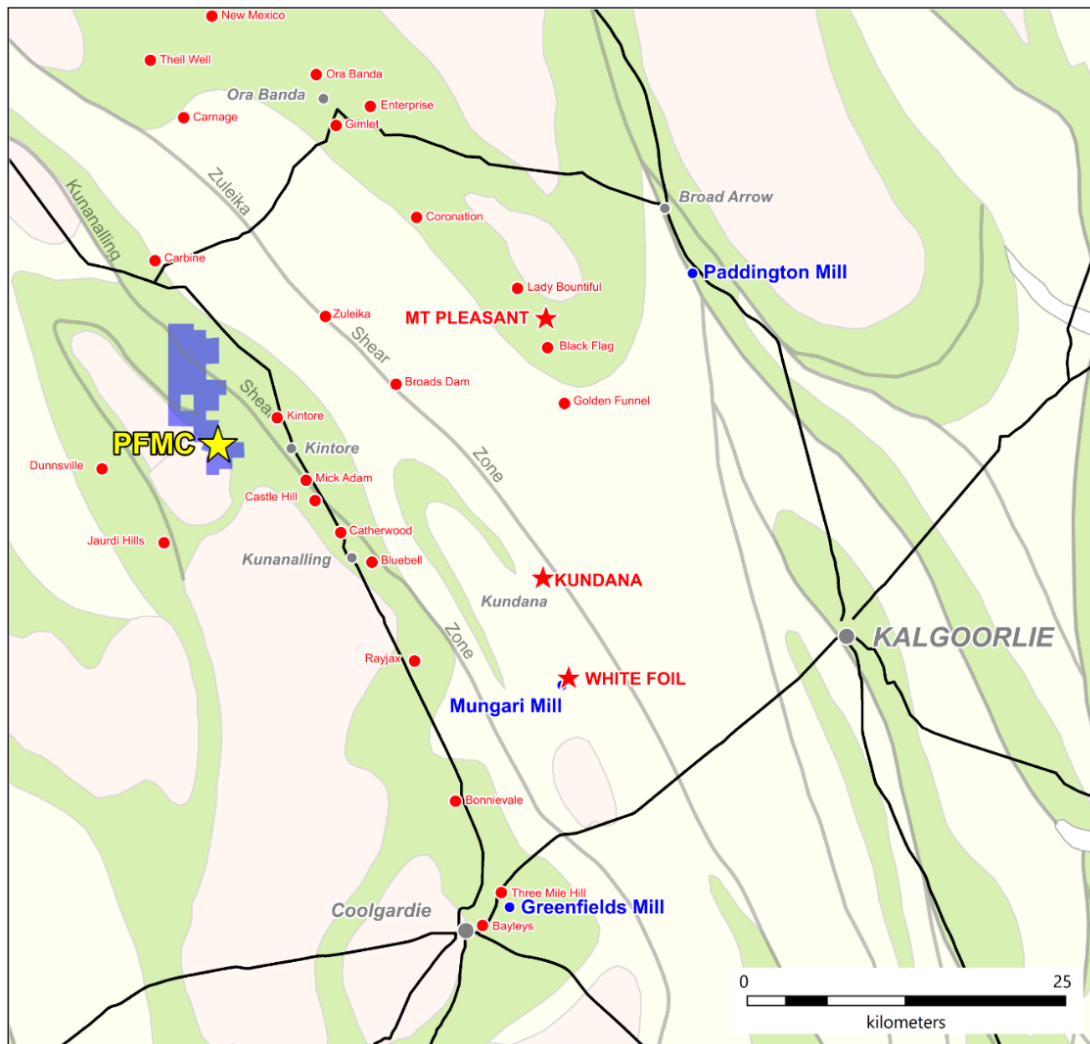


Figure 1: Regional location of Phillips Find Mining Centre (PFMC).



Figure 2: Location of Mt Thirsty Cobalt Project.