

**Corporate Details:**

ASX Code: BAR

Market Cap: \$3.73M (Dec 31)

Cash: \$0.82M (Dec 31)

Issued Capital:

373,247,883 ordinary shares

Substantial Shareholders:

FMR Investments P/L 22%

Directors:**Executive Chairman:**

Gary Berrell

Non-Executive Directors:

Grant Mooney

Jon Young

Chief Executive Officer:

Gary Berrell

Company Secretary:

Grant Mooney

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Barra Resources Limited

Activity Report for the Quarter Ended 31 December 2015

21 January 2016

OVERVIEW

PHILLIPS FIND PROJECT

- ❖ Received an instalment of \$150,000 in right-to-mine fees and gold royalty payments related to mining of Newminster Deposit. Additional instalments totalling \$320,000 are pending.
- ❖ Geochemical orientation study completed and report received.
- ❖ Pathfinder element suites recognised for orogenic gold mineralisation at Newminster, Newhaven, Truth and Diablo prospects. New surface geochemical programs potentially required over all or selected areas.
- ❖ End-of-hole RAB chip collection and lithogeochemical analysis program in progress.
- ❖ Target generation and prioritisation process continues. Drill testing of highest priority targets anticipated to commence from June 2016.

BURBANKS PROJECT

- ❖ Received \$33,522 in gold royalty payments related September quarter production from Birthday Gift Mine Area (BGMA).
- ❖ Gold production from BGMA totalled 2,805ozs for the quarter. Royalty of \$70,125 due.
- ❖ Development options continue to be investigated for the historic Main Lode underground mine.

MT THIRSTY PROJECT

- ❖ Assessment of development options for cobalt production at oxide resource continuing.

PROJECTS

PHILLIPS FIND PROJECT (WA)

(100% Barra*)

**except for Carbine South tenements which are held 85% Barra*

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

The project covers over 10 kilometres in strike of prospective greenstone stratigraphy and includes the Phillips Find Mining Centre (PFMC) where 32,839 ounces of gold has been produced between 1998 and December 2015 from three open-pit operations; Bacchus Gift, Newhaven and Newminster. Exploration potential within the project is excellent with numerous targets defined by auger geochemical anomalism, aeromagnetic interpretation and drilling.

In September 2015, a cut-back of the Newminster pit produced 56,996 tonnes grading 2.4 grams per tonne gold for 4,318 ounces. This current phase of mining is expected to produce 43,400 tonnes grading 2.8 grams per tonne Au for an estimated 3,600 ounces of gold. The Company is now focussed on developing the underground potential of the Phillips Find Mining Centre with the aim of transitioning into a viable medium to long-term underground mining operation.

Activities

Phillips Find Mining Centre

Pursuant to the right-to-mine agreement with Blue Tiger Mining Pty Ltd (BTM), regarding open-pit mining of the Newminster Deposit, \$470,000 in right-to-mine fees and gold royalty payments became due and payable during the period. The Company received an instalment of \$150,000 during the quarter.

Geochemical Orientation Survey

CSA Global Consultants (CSA) delivered its final report on the results of geochemical orientation surveys completed in September. The surveys were completed over 4 areas (Figure 1) and consisted of auger drilling, soil sampling and handheld pXRF (portable X-Ray Fluorescence) analysis.

In addition to the orientation surveys, the metal signature of gold mineralisation was also defined in fresh rock from lithogeochemical hyperspectral analysis of RC drill chips from Diablo, Newminster, Newhaven and Truth deposits.

Summary of Results and Recommendations

- A dominant Au-Ag-Te-W-Mo-Bi-S-Cu-(Pb-Zn) orogenic gold signature has been recognised in samples from Newhaven, Newminster and Truth prospects. It is interpreted to be related to a magmatic ore fluid, supported by phlogopite-biotite alteration.
- A lesser Au-As-Te signature is recorded at the Diablo prospect, hosted by felsic/granitoid and is interpreted to be related to a more conventional metamorphic ore fluid.
- Hand-held pXRF data from this study do not provide sufficiently accurate or precise data for orogenic gold exploration, particularly for soil-auger sampling where low detection limits are important. Assaying by hand-held pXRF is not recommended on the Phillips Find Project.
- RC drill chip lithogeochemistry discriminates a dominant basalt-dolerite (Newminster, Newhaven and Truth) and a dominant granitoid signature (Diablo). Black shale samples from Newminster have a “felsic” signature, but one that is distinct from the dominant granitoid population. More extensive sampling may reveal a more complex lithostratigraphy.
- Surface sampling by minus 2 mm soils returns similar results to those from auger samples in the orientation survey, and should be used where applicable, to reduce the cost of sample collection in future work.
- Generation of new drilling targets using three-dimensional modelling of the Newminster, Newhaven and Bacchus Gift will be more effective after more widespread pathfinder and lithogeochemical data has been collected.

- New surface geochemical sampling surveys should be conducted over whole project, or selected areas (based on results of the current mapping program), using recognised pathfinder element suite/s to enhance the Company's target generation program and prospectivity of the project.

Litho-geochemistry (End-Of-Hole RAB sampling)

Following a recommendation from the CSA report, a program has commenced to collect end-of-hole (EOH) RAB chips for spectral and pXRF analysis (i.e. alteration mapping). A total of 1,500 EOH RAB chips are to be collected, 440 EOH RAB chips (PFRB001-440) were collected during the period from archived chip trays. The collection program is due for completion by the end of February 2016. CSA Global Consultants will be used to compile, analyse and interpret the results of the EOH chip analysis program.

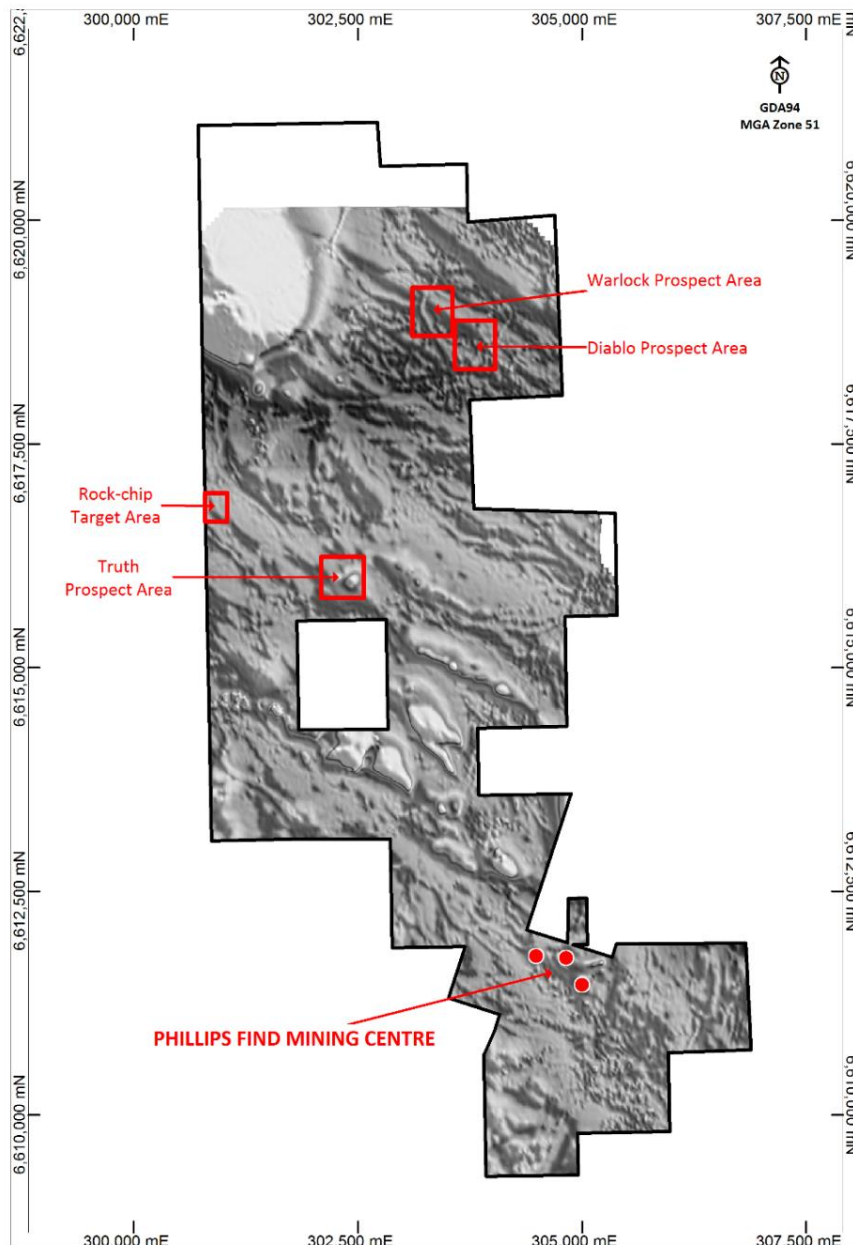


Figure 1: Location of geochemical orientation surveys at Phillips Find.

Drilling

Following the completion of further geochemical work, mapping and target generation process, the Company anticipates drill testing of the highest priority targets to commence from June 2016.

BURBANKS PROJECT (WA)

(Includes Royalty over Birthday Gift Mine Area and 100% Rights to Reservation Area within M15/161)

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 2) in addition to its wholly owned Kangaroo Hills prospecting licences adjacent to M15/161.

Barra's Reservation Rights include the Main Lode underground mine, which has historically produced 146,000t @ 18.3g/t Au for approximately 85,000ozs of gold, as well several important prospects including Burbanks North, Pipeline, Fangjaw and Salmon South.

The Company also has a royalty on all gold produced from within the Birthday Gift Mine Area (Figure 2).

Activities

Birthday Gift Mine Area (Royalty Only)

The Company received \$33,521.78 in royalty payments related to gold production from the September 2015 quarter.

The Kidman Resources/Blue Tiger Mining Joint Venture produced 2,805.1ozs of gold from the Birthday Gift Mine Area (BGMA) for the December quarter. Based on the December quarter production, Barra is entitled to receive \$70,125 in gold royalty payments.

Table 1 summarises all gold production from the BGMA subject to the Barra's royalty.

Period	Gold Produced (oz)
Commencement to 31/12/13	886.1
2014	3848.9
Q1 2015	0
Q2 2015	3397.0
Q3 2015	1,341.0
Q4 2015	2,805.1
Total	12278.1

Table 1: Kidman/BTM Joint Venture gold production from Birthday Gift Mine Area.

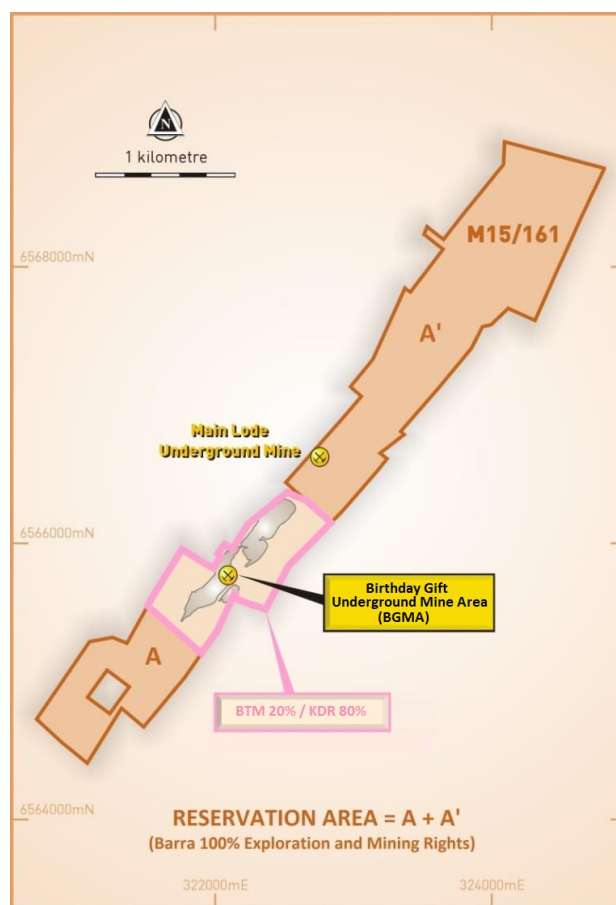


Figure 2: Plan showing Reservation Area (A-A') and BGMA within M15/161.

Main Lode Underground Mine

The Company continues to investigate potential development options for the historic Main Lode underground mine located 200m north of the BGMA owned by Kidman and BTM.

The Main Lode underground mine historically produced 146,000t @ 18.3g/t Au for approximately 85,000ozs of gold. Barra completed an RC program in 2008 which was designed to follow-up on the up-plunge extent of the historical workings (see *BAR: ASX Release dated 28th August 2008*).

MT THIRSTY PROJECT

(50% Barra; 50% Conico Ltd – Joint Venture)

The Mt Thirsty Project is located 20km north-northwest of Norseman, Western Australia. Conico Ltd (ASX:CNJ) is the Joint Venture manager.

The Project contains the Mt Thirsty Cobalt-Nickel (Co-Ni) Oxide Deposit which has the potential to emerge as a significant cobalt supplier.

The deposit contains an Indicated Mineral Resource of 16.6Mt @ 0.14% Co, 0.60% Ni and 0.98% Mn and an Inferred Mineral Resource of 15.3Mt @ 0.11% Co, 0.51% Ni and 0.73% Mn; *(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”¹, available to view at www.barraresources.com.au).*

The Company recognises the value of the resource with particular reference to the cobalt content and is actively reviewing independently commissioned studies to assess the viability of alternate treatment options in the current economic climate.

As well as the Co-Ni Oxide Deposit, the Project also hosts primary nickel sulphide (Ni-S) mineralisation with intersections of Ni-S mineralisation up to 6m down-hole @ 3.5% Ni made by the Joint Venture in 2010 (refer to ASX announcement 19th May 2010: “High Grade Nickel Sulphides Intersected at Mt Thirsty JV”², available to view at www.barraresources.com.au).

Activities

There was no activity for the period.

^{1/2} 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.

TENEMENTS

The following tenement changes occurred during the quarter (see Tenement Listing at end of report):

- There was no tenement movement during the quarter.

CORPORATE

Recent Announcements

Date	Announcement
12/11/2015	Change of Director's Interest Notice
11/11/2015	Results of AGM
11/11/2015	Annual General Meeting Presentation
30/10/2015	Quarterly Cashflow Report
30/10/2015	Quarterly Activities Report
09/10/2015	Notice of AGM
09/10/2015	Annual Report to Shareholders

Note: All announcements are available on the Company's website.

INVESTOR INFORMATION

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Capital Structure

373,247,883 listed ordinary shares

6,000,000 unlisted options

Company Directors

Gary Berrell	Executive Chairman
Grant Mooney	Non-Executive Director and Company Secretary
Jon Young	Non-Executive Director



GARY BERRELL
Executive Chairman



Project Location Map

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 μ m=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 for the Phillips Find Project 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.

The information in this report that relates to Exploration Targets, Exploration Results and Mineral Resources for the Mt Thirsty Project is based on and fairly represents information compiled by Michael J Glasson and Robert N Smith, Competent Persons who are members of the Australian Institute of Geoscientists. Mr Glasson and Mr Smith are employees of Tasman Resources Ltd and in this capacity act as part time consultants to Conico Ltd. Mr Glasson and Mr Smith hold shares in Conico Ltd. Mr Glasson and Mr Smith have sufficient experience which is relevant to the style of mineralisation and type of the deposits under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Glasson and Mr Smith consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

APPENDIX

TENEMENT LISTING

Tenement	Project	Location	Change in Interest (%) during Quarter			Comments
			End of Quarter	Acquired	Disposed	
M15/161	Burbanks	WA	0			Reservation Rights and Royalty only (Figure 2)
P15/5249		WA	100			
P15/5412		WA	100			
E63/1267	Mt Thirsty	WA	50			
E63/373		WA	50			
R63/4		WA	50			Application Only, Covers same area as E63/373
M63/527		WA	50			Application Only, Covers same area as E63/373
M16/130	Phillips Find	WA	100			
M16/133		WA	100			
M16/168		WA	100			
M16/171		WA	100			
M16/242		WA	100			
M16/258		WA	100			
P16/2390		WA	100			
P16/2391		WA	100			
P16/2392		WA	100			
P16/2393		WA	100			
P16/2394		WA	100			
P16/2397		WA	100			
P16/2398		WA	100			
P16/2399		WA	100			
P16/2400		WA	100			
P16/2401		WA	100			
P16/2403		WA	100			
P16/2404		WA	100			
P16/2405		WA	100			
P16/2406		WA	100			
P16/2407		WA	100			
P16/2408		WA	100			
P16/2410		WA	100			
P16/2578		WA	100			
P16/2702		WA	100			
P16/2757		WA	100			
P16/2783		WA	100			
P16/2784		WA	100			
P16/2785		WA	100			
P16/2786		WA	100			
P16/2422		WA	85			15% - Hayes Mining Pty Ltd
P16/2423		WA	85			
P16/2424		WA	85			
P16/2425		WA	85			
E30/332	Riverina Joint Venture	WA	0			30% Interest in Nickel Rights Only
E30/333		WA	0			
M30/43		WA	0			
M30/60		WA	0			
M30/84		WA	0			
M30/97		WA	0			
M30/98		WA	0			
M30/127		WA	0			
M30/133		WA	0			
M30/182		WA	0			
P30/1017		WA	0			
P30/1018		WA	0			
P30/1020		WA	0			
P30/1021		WA	0			
P30/1023		WA	0			
P30/1024		WA	0			
P30/1025		WA	0			
P30/1026		WA	0			
P30/1027		WA	0			
P30/1033		WA	0			
P30/1034		WA	0			
P30/1038		WA	0			
P30/1040		WA	0			
P30/1074		WA	0			
P30/1111		WA	0			
P30/1112		WA	0			
P30/1113		WA	0			

Tenement	Project	Location	Change in Interest (%) during Quarter			Comments
			End of Quarter	Acquired	Disposed	
P30/1114		WA	0	30% Interest in Nickel Rights Only		
P30/1115		WA	0			
P30/1116		WA	0			
P30/1117		WA	0			
P30/1118		WA	0			
P30/1119		WA	0			
P30/1120		WA	0			