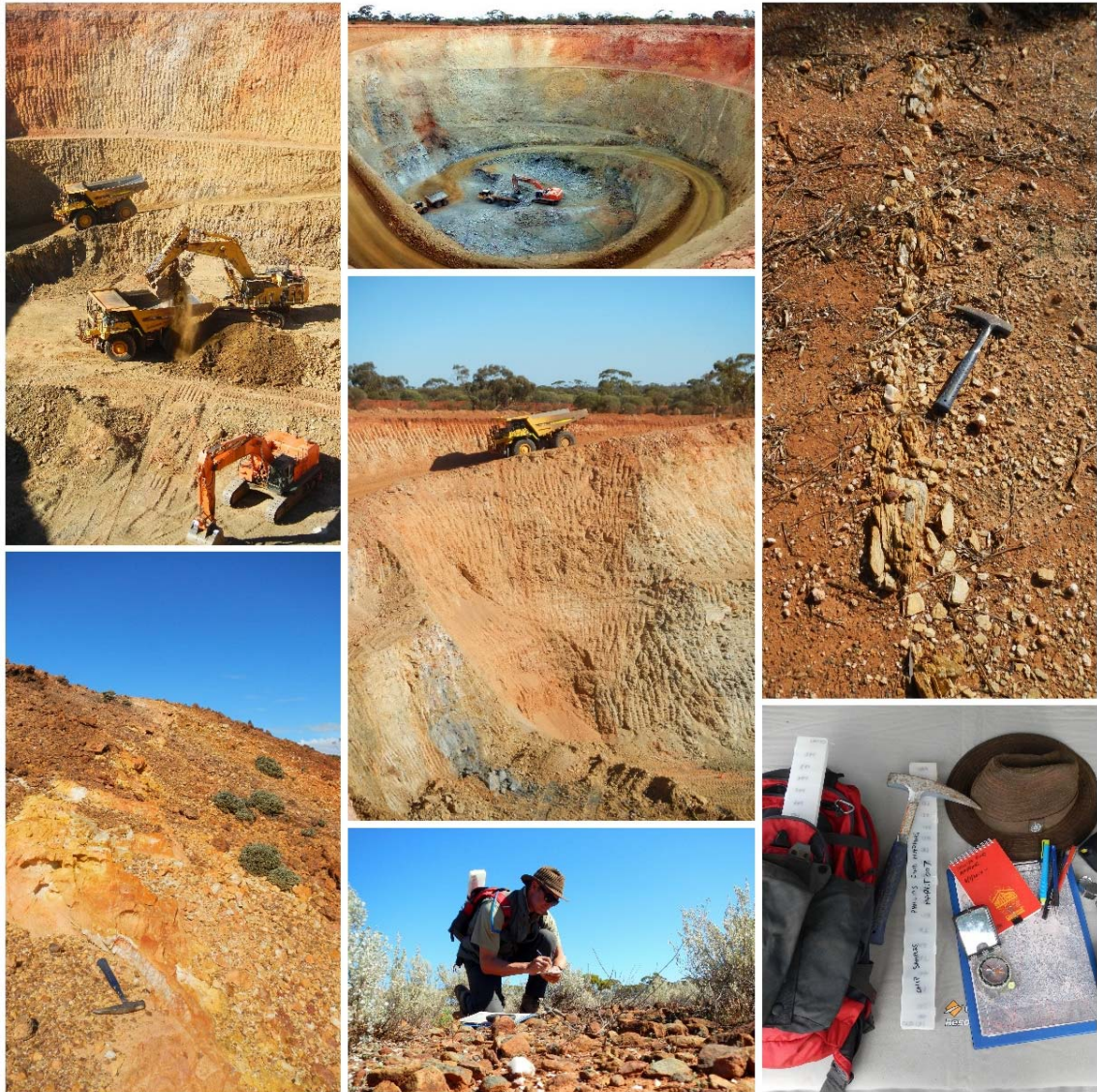


# BARRA RESOURCES LIMITED

ABN 76 093 396 859



## ANNUAL REPORT 2015

# BARRA RESOURCES LIMITED

ABN 76 093 396 859

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## CORPORATE INFORMATION

### Directors

Executive chairman  
Gary John Berrell BEc (Hons)

Non-Executive Director  
Grant Jonathan Mooney BBUS CA

Non-Executive Director  
Jon Young BCOM CA

### Company Secretary

Grant Jonathan Mooney BBUS CA

### Registered Office & Principal Place of Business

Ground Floor, 6 Thelma Street  
West Perth WA 6005  
Phone: +61 8 9481 3911  
Fax: +61 8 9481 3283  
Website: [www.barraresources.com.au](http://www.barraresources.com.au)

### Share Register

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6953  
Phone: +61 8 9315 2333  
Fax: +61 8 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### Auditors

HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth WA 6000

### Stock Exchange

The Company's securities are quoted on the  
Official List of the Australian Securities Exchange  
Limited (ASX)  
2 The Esplanade  
Perth WA 6000

### ASX Code

Shares: BAR

Dear Shareholder,

On behalf of the Board of Directors I take pleasure in presenting the 2015 Annual Report.

The financial year was not a good one for commodities with most markets exhibiting strong bearish signals. Gold, year on year, fell about USD\$150 which equates to approximately an 11 percent fall. On the positive side, our currency fell from 0.94 USD to 0.77 USD, which has been of great benefit to domestic gold producers as a hedge against the falling gold price. Barra has enjoyed exposure to this falling dollar and may enjoy even better returns from gold production should the US dollar gold price improve as many commentators are speculating.

Gold production from the Company's 100 percent Newminster Deposit at Phillips Find continued to pay good dividends via our Right to Mine deal with Blue Tiger Mining Pty Ltd ("BTM"). Post financial year end, BTM completed the second stage of the open cut operation which is expected to net the Company approximately \$509,000 from fixed fee payments and royalties. These funds will allow Barra to progress drilling programs in preparation for a potential underground mine at Newminster. We are extremely confident an underground operation will provide strong returns for the Company and become a key focus for the Company in the 2015/2016 financial year.

Also during the financial year, BTM sold 80 percent of its ownership of the Birthday Gift Mine Area, previously purchased from Barra, to Kidman Resources Limited (ASX : KDR). The \$25 per ounce royalty on gold mined from Birthday Gift and Barra's 100 percent owned exploration and mining rights to the Reservation Area (north and south of the Birthday Gift Mine Area) continue under the assigned sale agreement. Kidman have since announced extensive drilling and mining programs. With Kidman announcing upcoming drilling and mining programs, coupled with the large amount of working capital injected into the project by them to date, Barra has benefited significantly by bringing forward what would have been the much longer term aspirations of BTM.

On the exploration front, our geological team completed extensive mapping throughout the Phillips Find Project during the year. Much of the area mapped has been unexplored for some time as our priorities were elsewhere. We are committed to gaining a greater depth of understanding of the controlling geological structures and geochemical signatures throughout the entire region. Given the success currently being achieved at Newminster, we have a high degree of confidence those structures will have repeats throughout the entire region. Early work has already identified a series of new targets which will require follow-up. One of our core objectives over the coming year to define and develop new resources at Phillips Find, capable of being brought into low cost production.

We have continued our search for new project opportunities and have narrowed our selection down to some highly prospective tenements. These tenements are all located in the eastern goldfields and we remain hopeful of making an announcement in the very near term.

Barra has worked hard to maintain financial discipline and self-fund all activities. We have not had to go to the equity market for many years now to fund working capital requirements. Our absolute focus is to protect and improve the value of our shareholders investment. While our share price has suffered over the years due a combination of factors, many of these have been outside our control. Those issues we can control, we do so with diligence. When the time comes to complete the purchase of a new project, we will do so with due deference to our finite financial surplus.

Once again, on behalf of the board, we thank you for your continued support. We genuinely feel we are heading into a period of share price appreciation. The Australian gold market will benefit from a lower currency, lower costs from a surplus of mining equipment and strong international demand. By managing our current and new projects efficiently to self-fund our activities, we continue to positively differentiate from others in our sector.

**Gary Berrell**  
**Executive Chairman**

## REVIEW OF OPERATIONS

### DRILLING STATISTICS AND PROJECT LOCATIONS

Table 1: Drilling Statistics for 2014-2015 Financial Year

		Burbanks Project		Mt Thirsty Project		Phillips Find Project		TOTAL	
	Quarter	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Aircore Drilling	1								
	2								
	3								
	4			16	621			16	621
TOTAL								16	621
TOTAL DRILL METRES									621

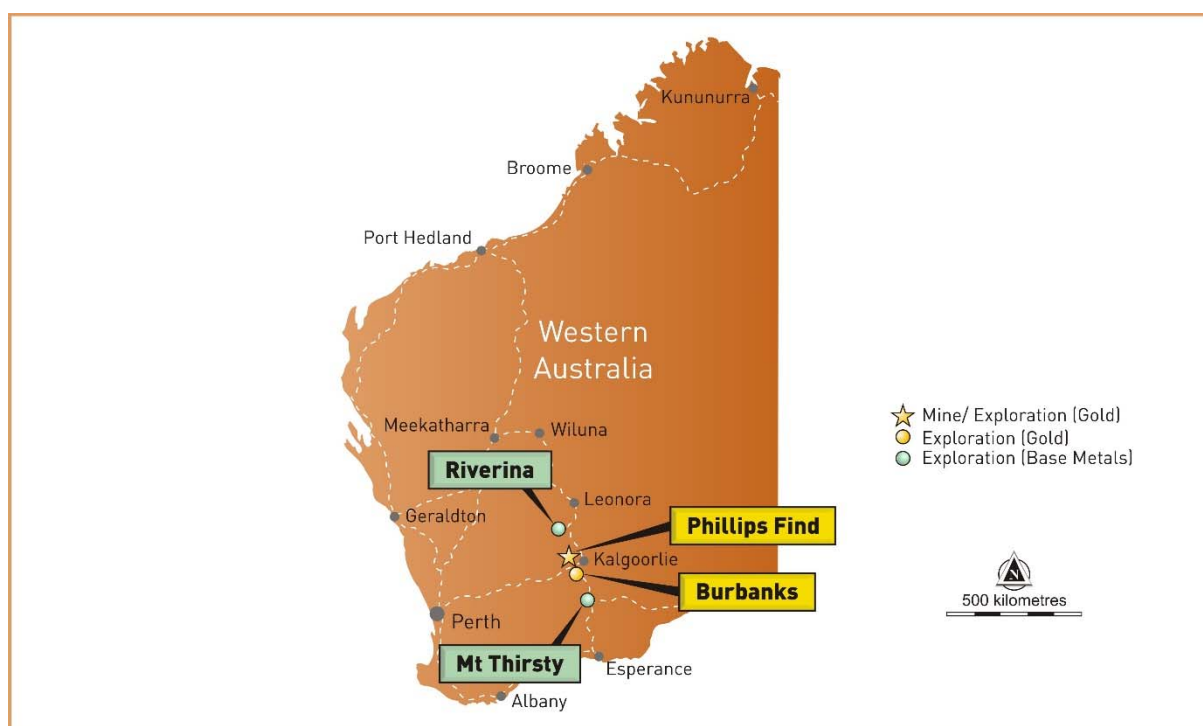


Figure 1: Project Location Plan



## REVIEW OF OPERATIONS

### PHILLIPS FIND GOLD PROJECT

(100% Barra<sup>1</sup>)

#### BACKGROUND

The Phillips Find Gold Project is located 45 kilometres north-northwest of Coolgardie, Western Australia. The project is comprised of 34 contiguous tenements covering an area of 36 kilometres<sup>2</sup> (Figure 2). All but 4 tenements are held 100% by Barra.

The project covers over 10 kilometres in strike of prospective greenstone stratigraphy and includes the Phillips Find Mining Centre (PFMC) where 27,318 ounces of gold has been produced between 1998 and December 2014 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. Metal detecting over the past 20 years has yielded significant alluvial gold.

The Company is presently mining a cut-back of the Newminster pit. This work is being undertaken by Blue Tiger Mining Pty Ltd (BTM), subject to a Right-To-Mine agreement. 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 Newminster deposit was previously mined in early 2013 producing 4,700 ounces of gold from 53,990 tonnes grading 2.7 grams per tonne Au.

Please see further information regarding mineral resources in the Mineral Resources and Ore Reserves Statement (MROR) section.

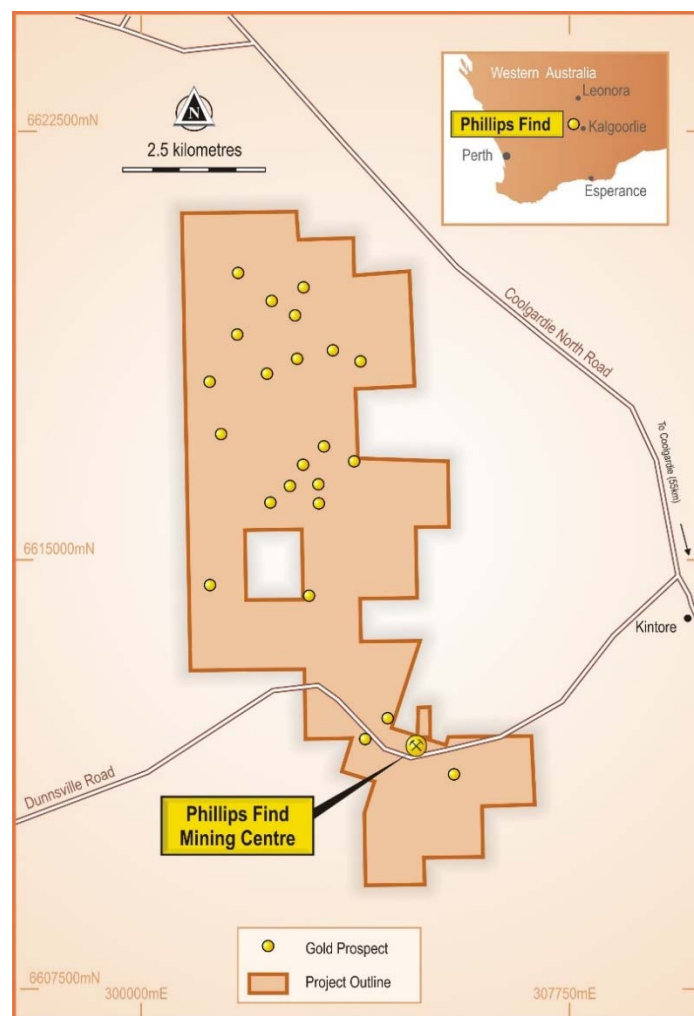


Figure 2: Phillip's Find Project Map

<sup>1</sup> Four (4) tenements are held 85% Barra, 15% Phoenix Gold Ltd (refer to Tenement Listing)

## REVIEW OF OPERATIONS

### WORK COMPLETED

The Company's activities this year focused on the resumption of mining at the PFMC and the continuation of detailed mapping and target generation over the whole project area. Work completed included:

- Continuation of detailed geological mapping and target generation over whole project area.
- Completion of open-pit optimisation and mine design for the Newminster Deposit.
- Re-commencement of mining at Newminster.
- Removal and treatment of 2775 tonnes of mineralised waste from the PFMC.

### EXPLORATION

In 2013, the Company embarked on a detailed regional mapping and targeting generation program throughout the greater project area to develop a pipeline of prioritised targets for future exploration drilling programs. Approximately 80% (Figure 3) of the project area has now been mapped in detail; the program is ongoing and is expected to be complete by late 2015.

CSA Global Consultants (CSA) are currently reviewing the Company's existing auger geochemical data to determine its effectiveness for future targeting in conjunction with the new geological mapping data, once completed. Preliminary results suggest the dataset is ineffective in certain areas due to insufficient or no analysis of ore (except gold) and pathfinder elements. Orientation surveys and re-sampling has been recommended.

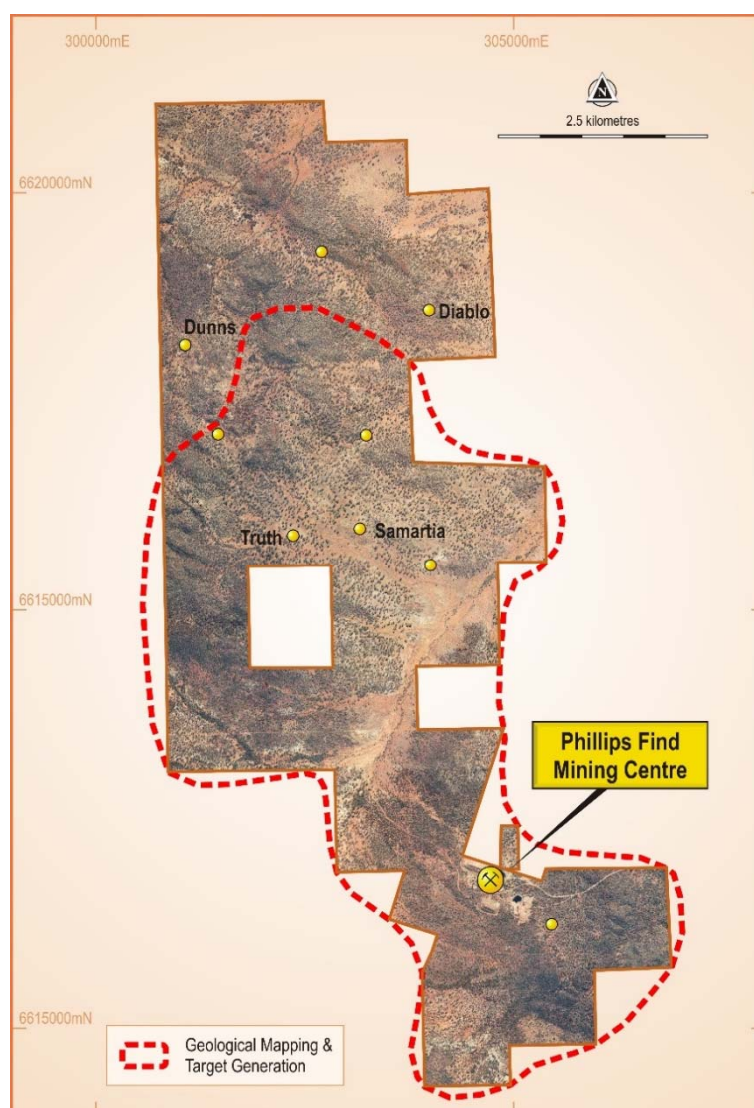


Figure 3: Area of geological mapping as at 31 June 2015

## REVIEW OF OPERATIONS

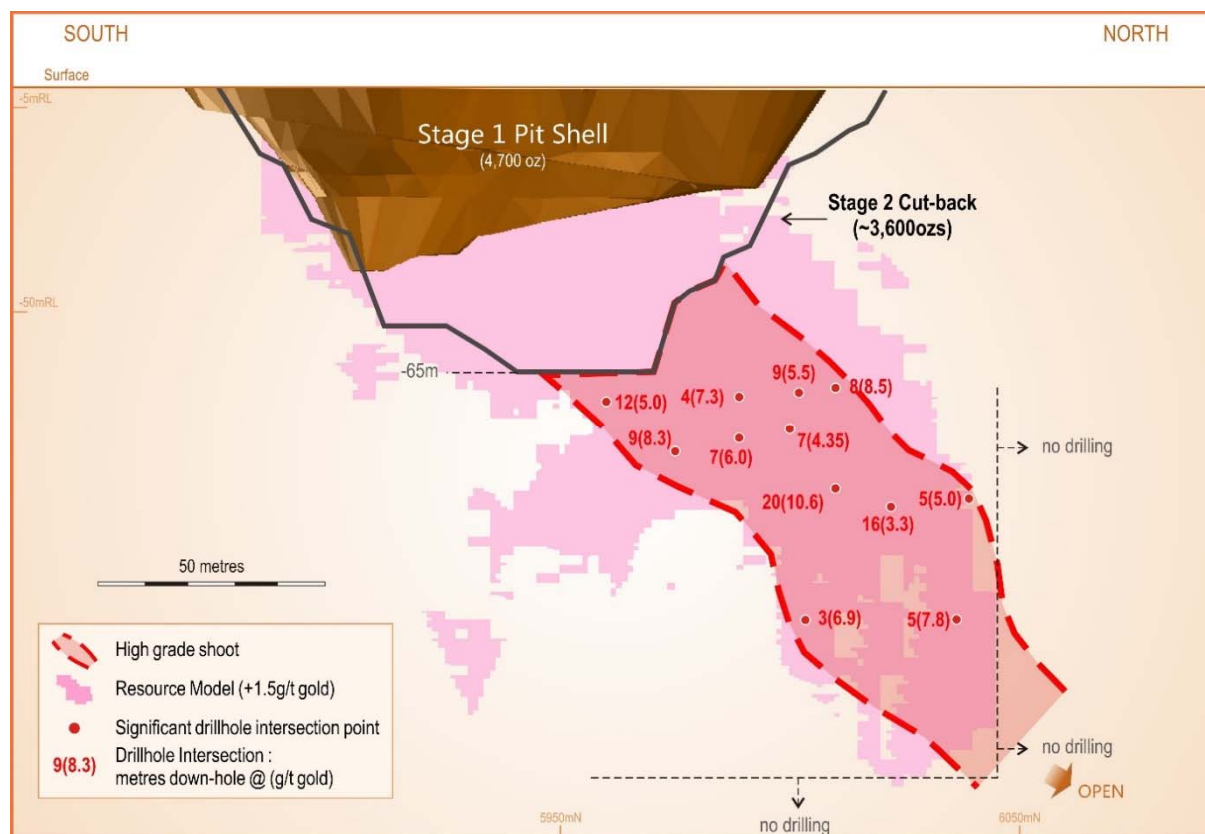
### OPERATIONS

In early 2013 BTM mined a Stage-1 open-pit at Newminster to 42.5 metres producing 53,990 tonnes grading 2.7 grams per tonne Au for 4,700 ounces of gold (refer to ASX announcement 29<sup>th</sup> April 2013: "Phillips Find Production Update"<sup>2</sup>: available to view at [www.barraresources.com.au](http://www.barraresources.com.au)). Mining operations re-commenced at Newminster in May this year and are expected to be completed by the end of August 2015. As at 31 July 2015, BTM had mined 37,700 tonnes grading 3.03 grams per tonne Au (approximately 3,675 ounces) to a depth of 57.5 metres.

Under the terms of the 'Right-to-Mine' Agreement with BTM;

- The existing pit will be deepened from 42.5 metres to 65 metres below surface.
- Approximately 43,400 tonnes grading 2.8 grams per tonne Au (an estimated 3,630 ounces of gold) will be mined, and
- Barra will receive a fixed fee of \$200,000 plus \$150 per ounce of gold recovered between 2,501 and 4,000 ounces and \$100 per ounce thereafter at the completion of mining.

At the completion of mining access to high-grade underground mineralisation will be accessible from the base of the pit. The Company maintains its strategy of developing the PFMC into a medium to long-term underground mining operation. Funds from the completion of mining at Newminster will go towards drilling extensions to known high-grade gold mineralisation at depth immediately below Newminster (Figure 4) and the nearby Bacchus Gift and Newhaven pits.



**Figure 4: Long-section of Newminster Deposit showing high-grade shoot**

During the year the Company permitted G&D Mine Services Pty Ltd (G&D) the right to remediate and treat remnant mineralised waste material from the PFMC. G&D paid Barra a fee per tonne of material treated; G&D removed and treated 2,775 tonnes of mineralised material.

<sup>2</sup> 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 announcement dated 29<sup>th</sup> April 2013 have not materially changed.

## REVIEW OF OPERATIONS

### BURBANK'S GOLD PROJECT

(100% Barra)

#### BACKGROUND

The Burbank's Gold Project is located about 8 kilometres southeast of Coolgardie, Western Australia. The project comprises 3 tenements covering an area of 3.2 kilometres<sup>2</sup> and covers about 5 kilometres of the Burbanks Shear, the most significant gold producing structure within the Coolgardie Goldfield.

In 2013 Barra sold its interest in the Birthday Gift Mine Area (BGMA) to Blue Tiger Mines (BTM) in exchange for cash and a royalty of \$25 per ounce of gold recovered. The Agreement, which only affects M15/161, meant Barra retained the exclusive rights to explore and mine for gold on the Reservation Area only. All other tenements within the Burbanks Project are not affected by the Sale Agreement.

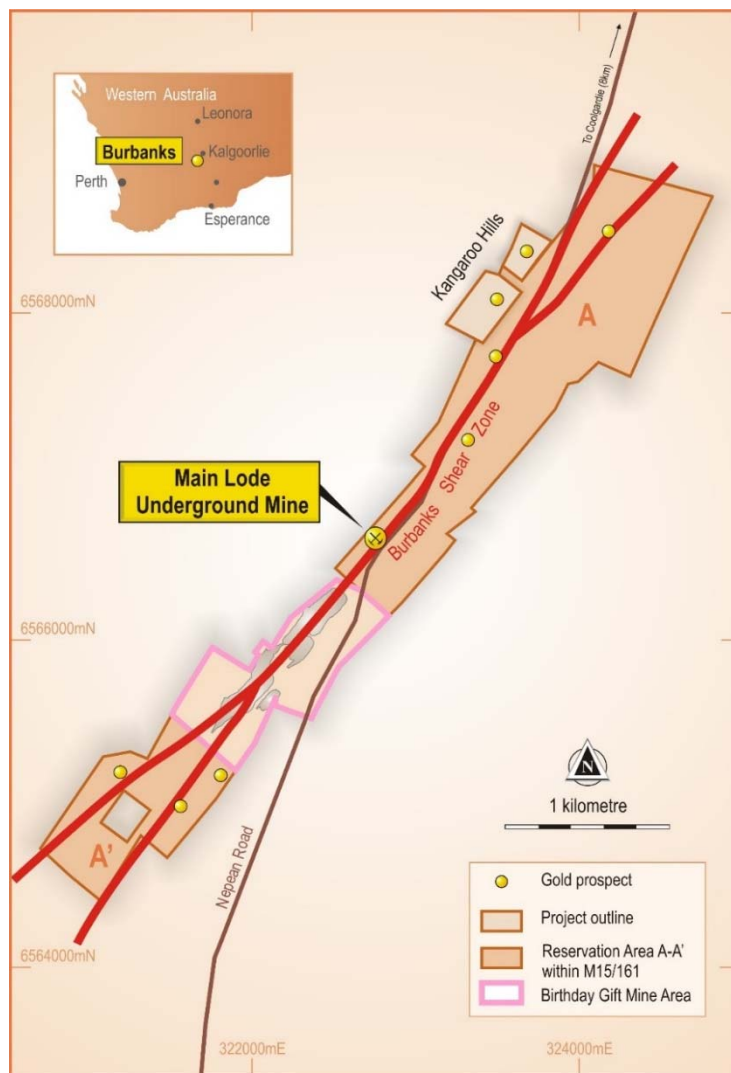


Figure 5: Burbank's Project Map

#### WORK COMPLETED

- Mapping and XRF surveying at Kangaroo Hills.
- Shaft refurbishment at Kangaroo Hills in preparation for underground sampling.
- Completion of Tenement Sale Agreement with BTM.
- Birthday Gift Mine Area royalty threshold reduced from 6,000 ounces to 4,000 ounces, payments have commenced.
- BTM production from within BGMA recovered 6,030 ounces of gold for the period.



## REVIEW OF OPERATIONS

### EXPLORATION

Exploration activity during the year focussed on the Kangaroo Hills prospect area (Figure 6). Geological mapping and geochemical surveying using a handheld portable x-ray fluorescence (pXRF) machine was completed on prospecting licence P15/5412.

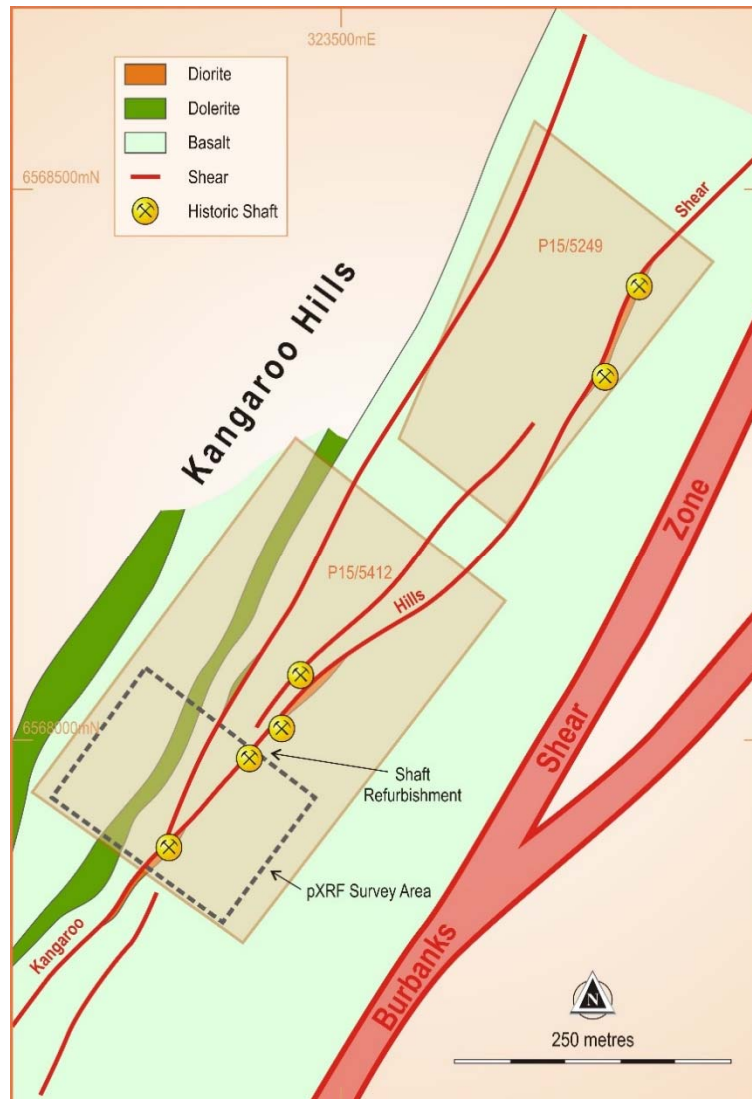


Figure 6: Kangaroo Hills prospect area map

Other activities at Kangaroo Hills included the refurbishment of a historic shaft to provide access to underground workings for the purpose of sampling, surveying and mapping. The information collated from surface geochemical surveying, mapping and underground sampling will assist with better targeting for future drilling.

### OPERATIONS

Barra has a \$25 per ounce royalty on all gold produced from the BGMA (Figure 5) pursuant to the Tenement Sale Agreement executed in 2013. The royalty initially became payable after the first 6,000 ounces of gold production since the sale of the BGMA however during the period this threshold was reduced to 4,000 ounces and as a result royalty payments which commenced during the period.

Table 2 summarises gold produced since the sale of the BGMA.

## REVIEW OF OPERATIONS

**Table 2: BTM gold production from Birthday Gift Mine Area (BGMA)**

Period	Ounces Recovered
Year ending 30 June 2014	2,102
1 July 2014 to 30 June 2015	6,030
<b>Total</b>	<b>8,132</b>

The Tenement Sale Agreement which facilitated the sale of the BGMA to BTM was completed during the period with BTM settling its cash instalments to Barra.

Also during the period, BTM sold 80% of its interest in the BGMA to Kidman Resources Limited (Kidman, ASX:KDR). Barra's rights to the Reservation Area remain unaffected, which includes the historic Main Lode underground mine, 200 metres north of the BGMA boundary, where approximately 146,000 tonnes grading 18.3 grams per tonne gold has historically been mined.

### MT THIRSTY PROJECT

(50% Barra, 50% Conico Ltd - Managers)

#### BACKGROUND

The Mt Thirsty Project covers an area of 12 kilometres<sup>2</sup> and is located 20 kilometres north-northwest of Norseman, Western Australia, in a well-endowed nickel terrain (Figure 7). The Mt Thirsty Joint Venture is a 50:50 joint venture between the Company and ASX listed Conico Ltd (ASX:CNJ).

The project hosts the defined Mt Thirsty "Cobalt – Nickel" Oxide Deposit (Table 3) which has the potential to emerge as one of the world's most significant cobalt suppliers.

**Table 3: Mt Thirsty Oxide Deposit Mineral Resource Summary (Un-cut)**

Mineral Resource Category	Tonnes	Cobalt (Co) (%)	Nickel (Ni) (%)	Manganese (Mn) (%)
Indicated	16,600,000	0.14	0.60	0.98
Inferred	15,340,000	0.11	0.51	0.73
<b>Total Mineral Resource</b>	<b>31,940,000</b>	<b>0.13</b>	<b>0.55</b>	<b>0.86</b>

*The Mt Thirsty 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 8<sup>th</sup> March 2011: "Resource Upgrade Mt Thirsty Cobalt-Nickel Oxide Deposit"<sup>3</sup>; available to view at [www.barraresources.com.au](http://www.barraresources.com.au).*

Extensive metallurgical testwork in 2013 resulted in new developments including the use of the cheaper and more efficient option of sulphur dioxide (SO<sub>2</sub>) as the main leaching agent. It was concluded that an agitated leach option is a more practical and economic leaching method.

The two flowsheets, one utilising a paste thickener and the other using an ion exchange resin-in-pulp (RIP), are still under investigation. Both have low water consumption, low reagent consumption and greater than 80% cobalt and 25% nickel recoveries. Preliminary estimations justify continued work to progress to a pre-feasibility stage.

Mt Thirsty Oxide Deposit currently represents an excellent long term, low cost, cobalt production opportunity.

In addition to the Mt Thirsty Oxide Deposit, the Project is host to high grade primary massive nickel sulphide mineralisation at the Mt Thirsty Nickel Sulphide (Ni-S) prospect. Intersections of massive nickel sulphide up to

<sup>3</sup>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 announcement dated 8<sup>th</sup> March 2011 have not materially changed.

## REVIEW OF OPERATIONS

6.0 metres down-hole grading 3.5% nickel encountered by the joint venture in 2010 (refer to ASX announcement 19<sup>th</sup> May 2010: “High Grade Nickel Sulphide’s Intersected at Mt Thirsty JV”<sup>4</sup>: available to view at

[www.barraresources.com.au](http://www.barraresources.com.au)).

Please see further information regarding mineral resources in the Mineral Resources and Ore Reserves Statement (MROR) section.

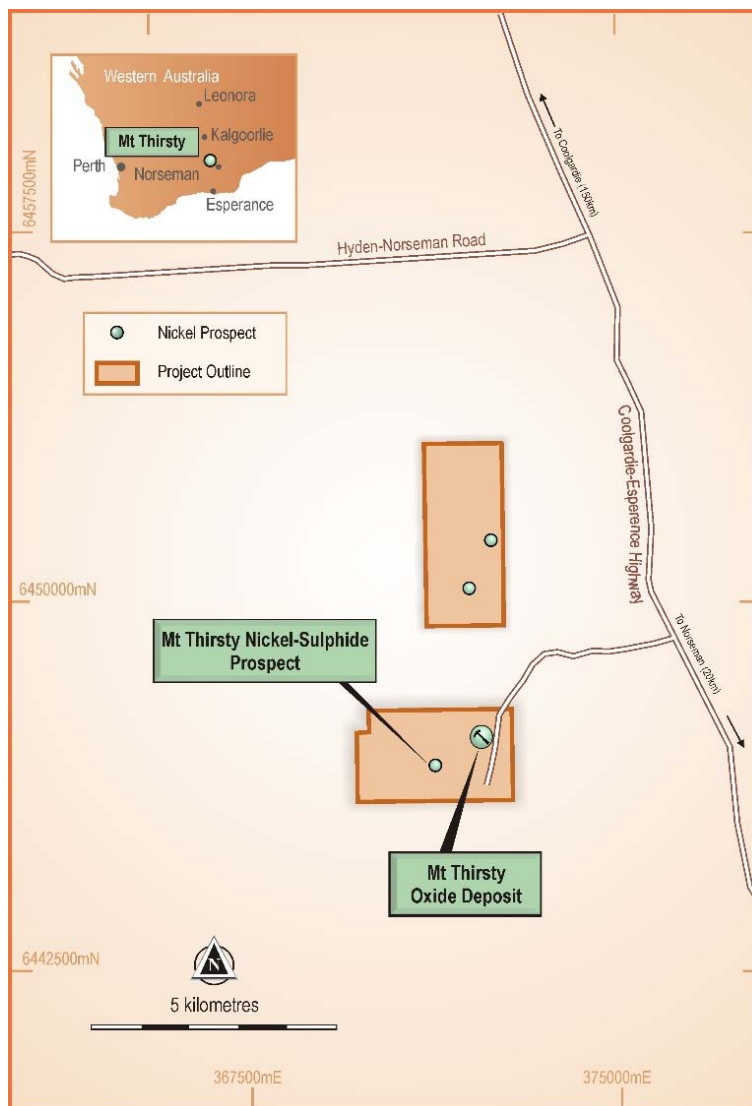


Figure 7: Mt Thirsty Project Map

## WORK COMPLETED

Work carried out during the period included:

- Aircore drilling to test various targets on E63/1267 was completed.
- Continued to assess potential corporate opportunities to advance the project.

<sup>4</sup> 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 announcement dated 19<sup>th</sup> May 2010 have not materially changed.

## REVIEW OF OPERATIONS

### EXPLORATION

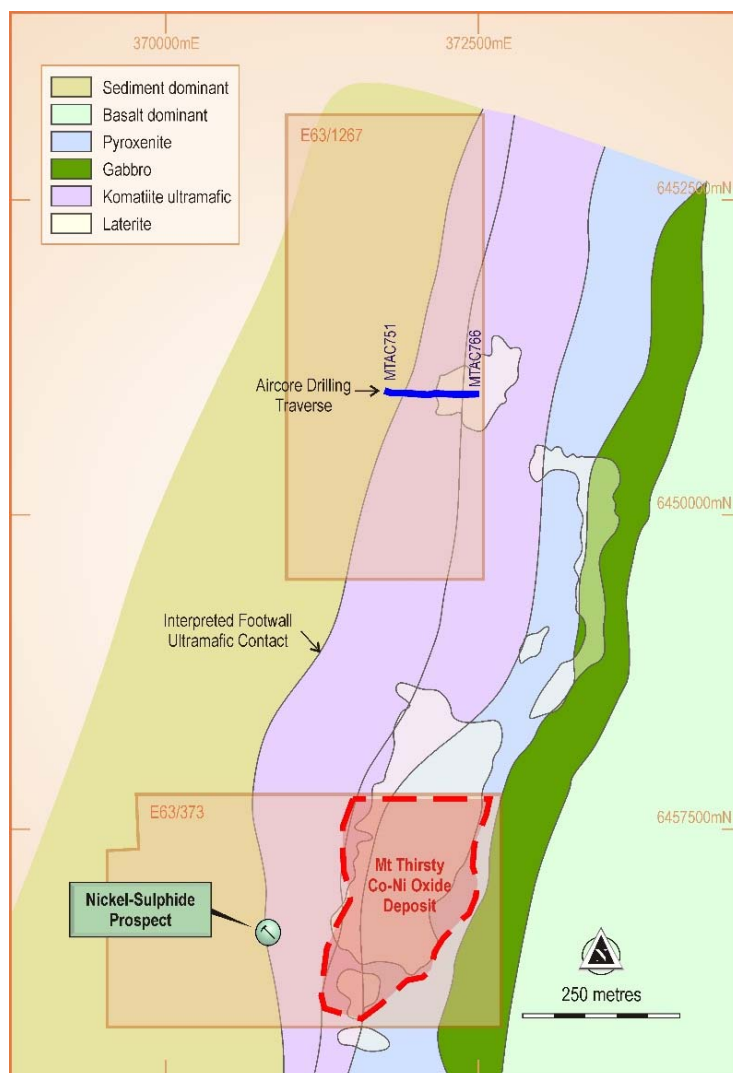
An aircore drilling traverse (16 holes, 621 metres) was completed on E63/1267 to test 1; an interpreted footwall ultramafic contact position for nickel sulphide potential, 2; a possible cobalt-nickel bearing laterite, and 3; the top of a previously identified moving-loop electromagnetic conductor (MLEM) (Figure 8).

The western end of the traverse, testing the interpreted footwall ultramafic contact, intersected deeply weathered pelitic sediments with the remainder of the traverse intersected relatively fresh fine-medium grained altered ultramafic lithologies. No significant mineralisation was associated with the footwall ultramafic contact position.

At the eastern end of the traverse, which tested a possible cobalt-nickel bearing laterite, three holes (MTAC764 to 766) intersected a sub-horizontal layer of cobalt-nickel (Co-Ni) oxide mineralisation (>0.06 percent Co) up to 7.8m in true thickness (9m downhole) (Table 1) with Co up to 0.15 percent and Ni up to 1.26 percent in a 3m composite sample in hole MTAC766 from 30 to 33m. These assays are comparable to the average grade of the Mt Thirsty Oxide Deposit Mineral Resource.

**Table 4: Aircore drilling significant intersections**

Hole ID	From (m)	To (m)	Drillhole Interval (m)	Cobalt %	Nickel %
MTAC764	21	30	9	0.10	0.52
MTAC765	30	39	9	0.10	0.72
MTAC766	27	36	9	0.11	0.97



**Figure 8: Plan showing location of recent aircore drilling on E63/1267**



## REVIEW OF OPERATIONS

Although these mineralised aircore holes overlie the up-dip projection of a moving loop electromagnetic (MLEM) conductor, they are probably not related to it. The MLEM conductor is most likely related to east dipping sulphidic sediments at depth which have been mapped further along strike by the Geological Survey of WA (GSWA); a deeper RC hole is required to effectively test the MLEM conductor.

This latest aircore drilling indicates that there is potential to delineate a new zone of Co-Ni mineralisation beneath the laterite on E63/1267 which could potentially supplement the existing Mt Thirsty Oxide Deposit on E63/373. Further air-core drilling is required to test the extent of the mineralisation beneath the laterite which trends for about 500m along its north-south axis.

## OPERATIONS

In 2014, RMDSTEM presented a proposal to the MTJV for a scoping study on the Mt Thirsty Oxide Deposit. The purpose of the study is to deliver a report that will establish:

- The value of the project;
- General description of the project and basic general layouts;
- Potential fatal flaws that may prevent the successful execution and operation of the project;
- Costs to  $\pm 30\%$  to  $\pm 35\%$  accuracy; and
- Technical issues requiring further investigation.

The MTJV has chosen not to proceed with the scoping study until such time as the MTJV has completed assessing potential corporate opportunities. The Mt Thirsty Co-Ni Oxide Deposit is currently in care and maintenance.

## RIVERINA NICKEL PROJECT

(Nickel rights only, Riverina Joint Venture; 30% Barra, 70% Riverina Resources Pty Ltd – Manager)

## BACKGROUND

The Riverina Nickel Project is located 125 kilometres north of Coolgardie in Western Australia and comprises 35 tenements covering an area of 87 kilometres<sup>2</sup> (Figure 9). In 2008 the project was sold to Swan Gold Mining Limited with the Riverina Joint Venture (RJV) retaining 100% of the nickel rights to the project.

Between 2005 and 2008, the RJV actively explored for economic concentrations of nickel laterite and nickel sulphide mineralisation. Exploration at the Martin's Zone Nickel Sulphide (Ni-S) prospect intersected narrow widths of high-grade remobilised massive nickel sulphide including a high grade intersection of 0.37m down-hole grading 10.88 percent Ni from 215m (refer to ASX announcement 7<sup>th</sup> July 2005: "High Grade Massive Nickel Sulphides Intersected at Riverina"<sup>5</sup>; available to view at [www.barraresources.com.au](http://www.barraresources.com.au)).

About 1 kilometre along strike to the north of the Martin's Zone Ni-S prospect the RJV successfully defined a nickel oxide deposit (Martin's Zone Oxide Deposit) containing an Indicated Mineral Resource of 2,195,850 tonnes grading 1.01 percent Ni and 0.06 percent Co at a 0.7 percent Ni lower cut-off (Table 5).

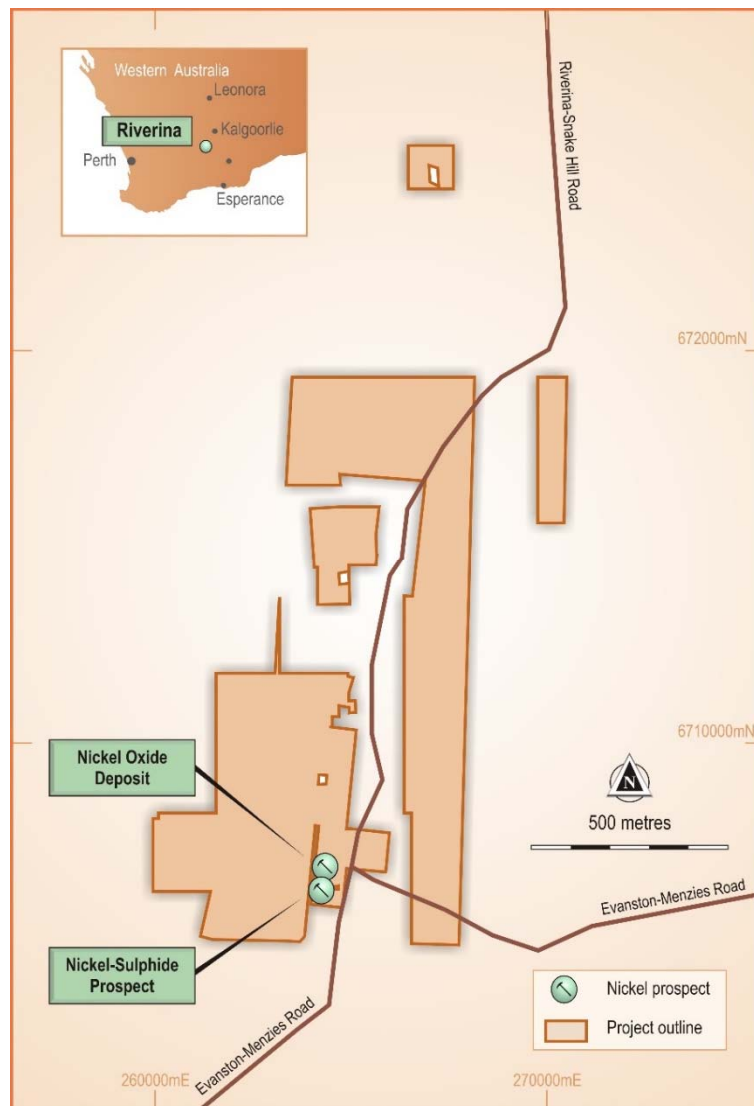
**Table 5: Martin's Zone Oxide Deposit Mineral Resource Summary**

Mineral Resource Category	Tonnes	Nickel (Ni) (%)	Cobalt (Co) (%)
Indicated (0.7% cut-off)	2,195,850	1.01	0.06
Indicated (1.0% cut-off)	837,820	1.32	0.09

*The Martin's Zone 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 30<sup>th</sup> April 2007: "March 2007 Quarterly Report"<sup>6</sup>; available to view at [www.barraresources.com.au](http://www.barraresources.com.au).*

<sup>5</sup> 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 announcement dated 7<sup>th</sup> July 2005 have not materially changed.

<sup>6</sup> 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 dated 30<sup>th</sup> April 2007 announcement have not materially changed.



**Figure 9: Riverina Project Map**

Please see further information regarding mineral resources in the Mineral Resources and Ore Reserves Statement (MROR) section.

### WORK COMPLETED

- There was no work conducted on the Riverina Project during the period.

### COMPETENT PERSONS STATEMENT AND DISCLAIMER

- 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 Mineral Resources at Mt Thirsty 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 information in this report that relates Exploration Results and Mineral Resources at Riverina is based on information compiled by Mr Anthony Gray who is a Member of The Australian Institute of Geoscientists and a full-time employee of Octagonal Resources Limited. Mr Gray has sufficient experience which is relevant to the style of 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 Gray consents to the inclusion in the report of the matters based on his 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.

**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/ozs=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  $\mu$ m=micro metres, @=grading, %=percent

## REVIEW OF OPERATIONS

### TENEMENTS

Phillips Find Gold Project		
Tenement	Location	Interest %
M16/130	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
P16/2422	WA	85
P16/2423	WA	85
P16/2424	WA	85
P16/2425	WA	85
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

Burbanks Gold Project		
Tenement	Location	Interest %
M15/161*	WA	100
P15/5249	WA	100
P15/5412	WA	100
* Exploration & Mining Rights to Reservation Area Only		

Mt Thirsty Project (JV)		
Tenement	Location	Interest %
E63/1267	WA	50
E63/373	WA	50
R63/4*	WA	50
M63/527*	WA	50
* Applications over same area as E63/373		

Riverina Nickel Project (JV)*		
Tenement	Location	Interest %
E30/332	WA	30
E30/333	WA	30
M30/43	WA	30
M30/60	WA	30
M30/84	WA	30
M30/97	WA	30
M30/98	WA	30
M30/127	WA	30
M30/133	WA	30
M30/182	WA	30
P30/1017	WA	30
P30/1018	WA	30
P30/1020	WA	30
P30/1021	WA	30
P30/1023	WA	30
P30/1024	WA	30
P30/1025	WA	30
P30/1026	WA	30
P30/1027	WA	30
P30/1033	WA	30
P30/1034	WA	30
P30/1038	WA	30
P30/1040	WA	30
P30/1074	WA	30
P30/1111	WA	30
P30/1112	WA	30
P30/1113	WA	30
P30/1114	WA	30
P30/1115	WA	30
P30/1116	WA	30
P30/1117	WA	30
P30/1118	WA	30
P30/1119	WA	30
P30/1120	WA	30
* Nickel Rights Only		



## REVIEW OF OPERATIONS

### 2015 MINERAL RESOURCES AND ORE RESERVES (MROR) STATEMENT

#### SUMMARY

This statement represents the Mineral Resources and Ore Reserves (MROR) for Barra Resources Ltd (Barra or the Company) as at 30 June 2015.

This MROR statement has been compiled and reported in accordance with the guidelines of the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code) also represents the first MROR statement for the Company.

This statement is to be reviewed and updated annually in accordance with Section 15 of the 2012 JORC Code. The nominated annual review date for this MROR statement is 30 June.

The Company's Mineral Resources remained unchanged at Burbanks, Mt Thirsty, Phillips Find and Riverina. The information in this statement has been extracted from the relevant reports as indicated below in each Mineral Resource table.

The Burbanks North, Mt Thirsty Oxide Deposit and the Martin's Zone Oxide Deposit Mineral Resource estimates were first reported in accordance with the guidelines of the 2004 Edition of the JORC Code and have not been updated to comply with the 2012 JORC Code. The Company is not aware of any new information or data that materially affects the information included in the relevant market releases for these estimates. The Company confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market releases continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified.

The Newminster Mineral Resource estimate was first reported in January 2013 has not yet been updated to comply with the 2012 JORC Code. The Newminster Mineral Resource and has since been depleted however due to mining between January 2013 and August 2015. The Newminster operation has been on care and maintenance since 31 August 2015.

#### MINERAL RESOURCES

As at 30 June 2015 the Company's Mineral Resources are:

##### Phillips Find Gold Project, Western Australia (Barra 100%)

Deposit	Category	Cut-off	2015			2013*		
			Tonnes (t)	Grade (g/t Au)	Ounces	Tonnes (t)	Grade (g/t Au)	Ounces
Newminster	Inferred	1.5 g/t Au	Update pending			115,700	3.5	13,000
	Indicated		Update pending			33,500	3.4	3,600
		Total	Update pending			149,200	3.5	16,700

\*un-depleted Mineral Resource shown; the 2013 Newminster Mineral Resource has been depleted due to mining which was completed 31 August 2015.

The Newminster Mineral Resource was first reported January 2013 in accordance with the 2004 JORC Code (refer to ASX Release dated 16<sup>th</sup> January 2013 titled 'Gold Production to Commence at Phillips Find', available to view at [www.barraresources.com.au](http://www.barraresources.com.au)). The original report titled 'Newminster Resource Model Update' was prepared by consultant Mr Andrew Moulds (CP) in January 2013.

##### Burbanks Gold Project, Western Australia (Barra 100%, Reservation Area Only refer to Figure 5)

Deposit	Category	Cut-off	2015		
			Tonnes (t)	Grade (g/t Au)	Ounces
Burbanks North	Inferred	1g/t Au	77,000	2.3	5,600
	Indicated	-	-	-	-
		Total	77,000	2.3	5,600

The Burbanks North Mineral Resource was first reported November 2013 in accordance with the 2004 JORC Code (refer to ASX Release dated 21<sup>st</sup> November 2013 titled 'AGM Presentation', available to view at [www.barraresources.com.au](http://www.barraresources.com.au)). The original report titled 'Burbanks North Manual Resource Calculation' was prepared by consultant Mr Bob Colville (CP) in May 2011.

## REVIEW OF OPERATIONS

### Mt Thirsty Project, Western Australia (Barra 50%)

Deposit	Cut-off	Category	2015		
			Tonnes (t)	Grade (%)	
				Ni	Co
Mt Thirsty Oxide Deposit	Un-cut	Inferred	15,340,000	0.51	0.11
		Indicated	16,600,000	0.6	0.14
			31,940,000	0.55	0.13

The Mt Thirsty Oxide Deposit Mineral Resource was first reported March 2011 in accordance with the 2004 JORC Code (refer to ASX Release dated 8<sup>th</sup> March 2011 titled 'Resource Upgrade – Mt Thirsty Cobalt-Nickel Oxide Project', available to view at [www.barraresources.com.au](http://www.barraresources.com.au)). The original report titled 'Resource Update Mt Thirsty Ni-Co Deposit' was prepared by consultant Mr Alan Miller (CP) in February 2011.

### Riverina Nickel Project, Western Australia (Barra 30%, Nickel Rights Only)

Deposit	Cut-off	Category	2015		
			Tonnes (t)	Grade (%)	
				Ni	Co
Martin's Zone Oxide Deposit	0.7% Ni	Indicated	2,195,850	1.01	0.06
			2,195,850	1.01	0.06

The Martin's Zone Oxide Deposit Mineral Resource was first reported April 2007 in accordance with the 2004 JORC Code (refer to ASX Release dated 30<sup>th</sup> April 2007 titled 'Activity Report for the Quarter Ended 31 March 2007', available to view at [www.barraresources.com.au](http://www.barraresources.com.au)). The original report titled 'Memorandum re: Results from Martin's Zone nickel laterite RC drilling program' was prepared by consultant Mr Anthony Gray (CP) in March 2007.

### Comparison with previous year's estimates

Since there has been no new information or data that materially affects the Burbanks North, Mt Thirsty Oxide Deposit, Newminster Deposit and Martin's Zone Oxide Deposit Mineral Resources, a comparison with previous year's estimates cannot be made.

An updated Mineral Resource estimate for Newminster in accordance with the 2012 JORC Code is expected subsequent to the completion of mining activity in September 2015.

## ORE RESERVES

As at 30 June 2015 the Company had no reportable Ore Reserves in accordance with the 2012 JORC Code.

## GOVERNANCE SUMMARY

The Mineral Resource estimates listed in this report are subject to Barra's governance arrangements and internal controls.

Barra's Mineral Resource estimates are derived by Competent Person's (CP) with the relevant experience in the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking. Geology models in all instances are generated by Barra staff and are reviewed by the CP. The CP carries out reviews of the quality and suitability of the data underlying the Mineral Resource estimate, including a site visit. Barra management conducts its own internal review of the estimate to ensure that it honours the Barra geological model and has been classified and reported in accordance with the JORC Code.

### COMPETENT PERSONS STATEMENT

- The information in the report which relates to the 2013 Newminster Mineral Resource is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Andrew Moulds, a consultant and employee of Goldfield's Mining Services, and who is a Member of the Australian Institute of Geoscientists. Mr 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" (the JORC Code). Mr Moulds consents to the inclusion in the report of the matters based on his information in the form and context in which it appears<sup>1</sup>.
- The information in the report which relates to the Burbanks North Mineral Resource is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Bob Colville, a consultant and employee of FMR Investments Pty Ltd, and who is a member of the Australian Institute of Geoscientists. Mr Colville 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 Colville consents to the inclusion in the report of the matters based on this information in the form and context in which it appears<sup>1</sup>.
- The information in the report which relates to the Mt Thirsty Oxide Deposit Mineral Resource is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Alan Miller, a consultant and 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<sup>1</sup>.
- The information in the report which relates to the Martin's Zone Oxide Deposit Mineral Resource is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Anthony Gray, a consultant and employee of Octagonal Resources Limited, and who is a member of the Australian Institute of Geoscientists. Mr Gray 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 Gray consents to the inclusion in the report of the matters based on this information in the form and context in which it appears<sup>1</sup>.

<sup>1</sup> The Company is not aware of any new information or data that materially affects the information included in the relevant market release. The Company confirms that all material assumptions and technical parameters underpinning the estimate in the relevant market release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified.

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

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**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2015**



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

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**CORPORATE INFORMATION**

**Directors**

Executive Chairman  
Gary John Berrell BEc (Hons)

Non-Executive Director  
Grant Jonathan Mooney CA BBus

Non-Executive Director  
Jon Young BCom CA

**Company Secretary**

Grant Jonathan Mooney CA BBus

**Registered office &**

**Principal place of business**

Ground Floor, 6 Thelma Street  
West Perth WA 6005

Phone: +61 8 9481 3911

Fax: +61 8 9481 3283

Website: [www.barraresources.com.au](http://www.barraresources.com.au)

**Share Register**

Security Transfer Registrars Pty Ltd  
770 Canning Highway

Applecross WA 6153

Phone: +61 8 9315 2333

Fax: +61 8 9315 2233

Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

**Auditors**

HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth WA 6000

**Securities Exchange**

The Company's securities are quoted on  
the Official List of the Australian  
Securities Exchange Limited (ASX)  
152-158 St George's Terrace  
Perth WA 6000

**ASX Code**

Shares: BAR

**DIRECTORS' REPORT**

The Directors present their report together with the financial report on Barra Resources Limited ("Barra" or "the Company") for the year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

**Details of Directors**

The names and particulars of the Directors of the Company holding office during the financial year and at the date of this report are:

**GARY JOHN BERRELL BEc (Hons)**

**Executive Chairman**

Appointed 22 March 2005

Mr Berrell has a background in banking and finance and was an Executive Director of Macquarie Bank for seven years. He has had over 25 years experience trading a broad range of products including foreign exchange, bonds, equities, futures and commodities. He has held a variety of management positions throughout this time. He has been involved in extensive committee work for financial markets associations covering areas of market regulation and prudential risk management, and has represented Australia at numerous overseas foreign exchange market conferences.

**GRANT JONATHAN MOONEY BBus CA**

**Non-Executive Director and Company Secretary**

Appointed 29 November 2002

Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. He has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance.

Currently, Mr Mooney serves as a Director and Company Secretary to several ASX listed companies across a variety of industries including technology and resources. He is a Director of ASX listed resource companies Wild Acre Metals Limited, Talga Resources Limited, Phosphate Australia Limited and is a Director of renewable energy company Carnegie Wave Energy Limited. Mr Mooney is a member of the Institute of Chartered Accountants in Australia.

**JONATHAN ALISTER YOUNG BCom CA**

**Non-Executive Director**

Appointed 5 January 2015

Mr Young holds a Bachelor of Commerce Degree from the University of Western Australia and is a member of the Institute of Chartered Accountants in Australia. For nearly 30 years, Mr Young has worked in the financial markets and is currently Director Private Clients with Perth based national stock broking firm Patersons Securities Limited.

For 12 years, until the sale of the underground mining contractor Barmenco Limited in August 2007, Jon served as Non-executive Chairman of the Barmenco Group of companies, including Barmenco Limited where he continues to serve as an alternate director.

Mr Young is Chairman of Barra's major shareholder, FMR Investments Pty Ltd (formerly Barmenco Investments Pty Ltd).

**LINDSAY FRANKER - Non Executive Director, resigned 5 January 2015**

**BARRA RESOURCES LIMITED**  
**ABN 76 093 396 850**

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**DIRECTORS' REPORT**

**Directorship of Other Listed Companies**

Directorships of other listed companies held by Directors in the three years immediately before the end of the financial year are as follows:

DIRECTORS NAME	COMPANY	PERIOD OF DIRECTORSHIP
Grant Jonathan Mooney	Attila Resources Limited	16 February 2010 to 10 October 2012
	Carbine Resources Limited	18 January 2012 to 2 September 2014
	Carnegie Wave Energy Limited	19 February 2008 to present
	Phosphate Australia Limited	14 October 2008 to present
	Talga Resources Ltd	20 February 2014 to present
	Wild Acre Metals Limited	1 July 2007 to present

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**Directors' Share and Option Holdings**

At the date of this report, the direct and indirect interest of the Directors in the shares and options of the Company were:

DIRECTORS NAME	ORDINARY SHARES NUMBER	OPTIONS (UNLISTED) NUMBER
Gary Berrell	1,191,921	-
Grant Jonathan Mooney	2,103,556	-
Jonathan Alister Young	4,956,000	-
Lindsay Franker (Resigned 5 January 2015)	-	-

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**Principal Activities**

The Company's principal activity is gold, nickel and cobalt exploration and the development of its gold assets.

**Operating Results**

The loss from ordinary activities after income tax of the Company for the year ended 30 June 2015 was \$497,203 (2014: Loss \$792,559).

**Future Developments**

The Company intends to continue mineral exploration & exploitation activities while considering new project acquisitions.

**Environmental Regulation**

The Company is required to carry out its activities in accordance with the Mining Laws and Regulations in the areas in which it undertakes its exploration activities. The Company is not aware of any matter which requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

**Dividends**

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

**Review of Operations**

The following activities were undertaken by the Company during the financial year ended 30 June 2015:

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

- Mine operator and purchaser, Blue Tiger Mines Pty Ltd ( BTM ) produced 6,030 ounces of gold pursuant to an Asset Sale Agreement
- Royalty threshold reduced from 6,000 ounces to 4,000 ounces resulting in the payment of \$103,300 from BTM to Barra
- BTM sold 80 % of its interest in the Birthday Gift Mine to Kidman Resources Limited ( ASX : KDR )
- Exploration activities at the Kangaroo Hills prospect included geological mapping.

**BARRA RESOURCES LIMITED**  
**ABN 76 093 396 850**

**DIRECTORS' REPORT**

**Review of Operations (Continued)**

**PHILLIPS FIND MINING CENTRE (PFMC) (Western Australia)**

- Detailed geological mapping was conducted across the entire project area.
- Mining operations recommenced at the Newminster Mine in May 2015 under a tribute mining agreement with BTM.
- 2775 tonnes of mineralised waste was removed from PFMC and treated.

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

- 16 aircore traverse holes drilled on E63/1267.

**RIVERINA NICKEL PROJECT (Western Australia)**

- No activity was conducted during the period.

**Company Performance**

The table below sets out summary information about the Company's earnings and movements in shareholder wealth for the five years to 30 June 2015:

	2015 \$	2014 \$	2013 \$	2012 \$	2011 \$
Revenue	139,672	33,091	524,598	738,736	746,852
Net loss before tax	(514,320)	(792,559)	(1,362,631)	(44,182)	(1,244,072)
Net profit/(loss) after tax	(497,203)	(792,559)	(1,350,872)	37,950	(1,017,305)
	2015	2014	2013	2012	2011
Share price at start of year (cents)	0.7	0.6	1.4	2.8	5.0
Share price at end of year (cents)	0.6	0.7	0.6	1.4	2.8
Shares on issue at end of year	373,247,883	373,247,883	373,247,883	373,247,883	314,914,550
Market capitalisation at end of year (undiluted)	\$2,239,487	\$2,612,735	\$2,239,487	\$5,225,470	\$8,817,607
Basic earnings per share (cents)	(0.13)	(0.21)	(0.36)	0.01	(0.32)
Diluted earnings per share (cents)	(0.13)	(0.21)	(0.36)	0.01	(0.32)

**Significant Changes in the State of Affairs**

There was no significant change in the state of affairs of the Company during the financial year.

**Significant Events Subsequent to End of Year**

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods, except for the following:

- Subsequent to the end of the financial year, the Company, pursuant to the right to mine agreement with Blue Tiger Mining, received an estimate of the final payment of \$509,000 from production at the Newminster Mine. This payment is comprised of a fixed payment of \$200,000 plus a royalty, payable by BTM.

**DIRECTORS' REPORT**

**Share Options**

During the financial year and to the date of this report 3,000,000 unlisted employee options were on issue pursuant to the Company's Employee Share Option Plan.

At the date of this report, the following options are outstanding in respect of unissued ordinary shares in Barra:

NUMBER OF SHARES UNDER OPTIONS	EXERCISE PRICE	EXPIRY DATE
1,000,000 (i)	\$0.06	21 March 2017
1,000,000 (i)	\$0.04	21 March 2017
1,000,000 (i)	\$0.02	21 March 2017

(i) *Issued under the Employee Share Ownership Plan*

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

No options were exercised during the year.

**Indemnifying Officers or Auditor**

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all Executive officers of the Company and related body corporate against any liability incurred in the course of their duties as a Director, Secretary or Executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the amount of the premium.

The Company has not indemnified or agreed to indemnify the auditor of the Company or of any related body corporate against a liability incurred as the auditor.

**Directors' Meetings**

There were 8 Directors' meetings held during the financial year ended 30 June 2015. The names of Directors who held office during the financial year and their attendance at Board meetings is detailed below:

DIRECTOR	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND
Gary Berrell	8	8
Grant Mooney	8	8
Jon Young (Appointed 5 January 2015)	5	5
Lindsay Franker (Resigned 5 January 2015)	3	3

There were also two (2) circular resolutions passed by the Board of Directors during the financial year.

As at the date of this report an Audit Committee of the Board of Directors did not exist due to the Directors of the Board having a close involvement in the operations of the Company. There are no other sub-committees of the Board.

**Remuneration Report (audited)**

This report, which forms part of the Directors' Report, details the amount and nature of remuneration of each member of the Key Management Personnel of the Company. Other than Directors, there were no Executive officers of the Company included in Key Management Personnel during the year.

**Remuneration Policy**

The remuneration policy is to provide a fixed remuneration component, performance related bonus and a specific equity-related component. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning executives' objectives with shareholder and business objectives.

The remuneration policy in regards to settling terms and conditions for any Executive Directors has been developed by the Board taking into account market conditions and comparable salary levels for companies of similar size and operating in similar sectors.

The Board reviews the remuneration packages of all key management personnel on an annual basis. The maximum remuneration of Non-Executive Directors is to be determined by Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. At present the maximum aggregate remuneration of Non-Executive Directors is \$400,000 per annum. The apportionment of Non-Executive Director Remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director.

**DIRECTORS' REPORT**

**Remuneration Report (audited) (continued)**

Remuneration is not linked to specific performance criteria.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payment to the Non-Executive Directors and reviews their remuneration on an individual basis, based on market practices, duties and accountability. Independent external advice is sought when required. Remuneration is not linked to the performance of the Company.

The Company is a developing listed company with most of its funds allocated to specific exploration and new business development activities. Historically, the Board has chosen to issue options to executives as a key component of their remuneration, in order to retain the services of the executives. However, there are presently no options issued to directors. The Board considers that each Key Management Personnel's experience in the resources industry will greatly assist the Company in progressing its projects to the next stage of development and the identification of new projects.

There are no service or performance criteria on the options granted to Key Management Personnel as, given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the Key Management Personnel and the performance and value of the Company are closely related. The Board has a policy of granting options to key management personnel with exercise prices above the respective share price at the time that the options were agreed to be granted. As such, options granted to Key Management Personnel will generally only be of benefit if the Key Management Personnel perform to the level whereby the value of the Company increases sufficiently to warrant exercising the options granted. Given the stage of development of the Company and the high risk nature of its activities, the Board considers that the prospects of the Company and resulting impact on shareholder wealth are largely linked to the success of this approach, rather than by referring to current or prior year earnings.

Executives receive a superannuation guarantee contribution required by the Government, which is currently 9.25% and do not receive any other retirement benefit. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation. The Directors are not entitled to any termination benefits.

The Board does not impose any restrictions in relation to a person limiting his or her exposure to the risk in relation to the options issued by the Company.

**Service Agreements**

Executive Chairman Gary Berrell has an employment contract for a period of 3 years commencing on 1 September 2009 which expired on 1 September 2012 and continues on a month by month basis with one month's termination notice. The Contract provides for a Director's fee of \$95,000 per annum plus statutory superannuation.

Non-Executive Director Grant Mooney has an Employee Services Agreement for a period of 3 years commencing on 1 September 2009 which expired on 1 September 2012 and continues on a month by month basis with one month's termination notice. The Contract provides for a Director's fee of \$45,000 per annum plus statutory superannuation.

Non-Executive Director Jon Young has an Employee Services Agreement for no fixed term commencing on 5 January 2015. The Contract provides for a Director's fee of \$45,000 per annum plus statutory superannuation.

Mooney & Partners Pty Ltd, a company associated with Grant Mooney has a services contract with the Company to provide company secretarial and administrative services to the Company for a period of 3 years commencing on 1 September 2009 which expired on 1 September 2012 and continues on a month by month basis with one month's termination notice. The Contract provides for an annual fee of \$96,000 per annum but was reduced to \$48,000 per annum plus GST in February 2015.

No key management personnel are entitled to any termination payment apart from remuneration payable up to and including the termination date and any amounts payable of accrued leave.



**BARRA RESOURCES LIMITED**  
**ABN 76 093 396 850**

**DIRECTORS' REPORT**

**Remuneration Report (audited) (continued)**

**Remuneration**

Details of remuneration provided to key management personnel during the financial year are as follows:

		SHORT-TERM EMPLOYEE BENEFITS		POST- EMPLOYMENT BENEFITS	SHARE- BASED PAYMENT		
DIRECTORS		SALARY & FEES	BONUS	SUPER- ANNUATION	OPTIONS	TOTAL	PERCENTAGE PERFORMANCE RELATED %
		\$	\$	\$	\$	\$	
Gary Berrell (Executive Chairman)	2015	95,000	-	9,025	-	104,025	0%
	2014	95,000	-	8,787	-	103,787	0%
Grant Mooney <sup>(1)</sup> (Non-Executive Director & Company Secretary)	2015	129,000	-	4,275	-	133,275	0%
	2014	141,000	-	4,163	-	145,163	0%
Jon Young (Appointed 05/01/15) (Non-Executive Director)	2015	19,996	-	1,900	-	21,896	0%
	2014	-	-	-	-	-	-
Lindsay Franker (Resigned 05/01/15) (Non-Executive Director)	2015	21,197	-	2,014	-	23,211	0%
	2014	41,284	-	3,819	-	45,103	0%
TOTAL	2015	265,193	-	17,214	-	282,407	
TOTAL	2014	277,284	-	16,769	-	294,053	

<sup>(1)</sup> Amounts paid to Grant Mooney include director's fees of \$45,000 (2014: \$45,000) and fees paid to a related party in respect of company secretarial services, totaling \$76,000 + GST (2014: \$96,000).

There are no contracts to which a Director is a party or under which the Director is entitled to a benefit other than as disclosed in the financial report. No director appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

There are no other individuals employed by the Company who meet the definition of key management personnel under the Corporations Act 2001.

**Employee Option Plan**

On 11 December 2007 (grant date) the Company established an Employee Share Option Plan (ESOP) whereby the Company's employees are given an opportunity to purchase shares in the Company. Each option converts into one ordinary share of Barra on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry. No options were issued during the financial year under this plan. There are presently 3,000,000 options on issue pursuant to the ESOP.

No directors have received options under this plan.

During the financial year, the following share-based payment arrangements were in existence.

OPTION SERIES	GRANT DATE	EXPIRY DATE	GRANT DATE FAIR VALUE	VESTING DATE
ESOP Tranche 3	21 March 2014	21 March 2017	\$0.002	24 months from date of issue

There are no further service or performance criteria that need to be met in relation to options granted under Tranche 3.

**BARRA RESOURCES LIMITED**  
**ABN 76 093 396 850**

**DIRECTORS' REPORT**

**Remuneration Report (audited) (continued)**

**Key management personnel equity holdings**

**Fully paid ordinary shares issued by Barra Resources Limited**

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each specified Director is as follows:

2015 DIRECTOR	BALANCE AS AT 1 JULY 2014/ APPOINTMENT	GRANTED AS REMUNERATION	RECEIVED ON EXERCISE OF OPTIONS	PURCHASED/ (SOLD)	ON RESIGNATION	BALANCE AS AT 30 JUNE 2015
Gary Berrell	1,191,921	-	-	-	-	1,191,921
Grant Mooney	2,103,556	-	-	-	-	2,103,556
Jon Young						
(Appointed 5.1.15)	4,956,000	-	-	-	-	4,956,000
Lindsay Franker						
(Resigned 5.1.15)	-	-	-	-	-	-

2014 DIRECTOR	BALANCE AS AT 1 JULY 2013/ APPOINTMENT	GRANTED AS REMUNERATION	RECEIVED ON EXERCISE OF OPTIONS	PURCHASED/ (SOLD)	ON RESIGNATION	BALANCE AS AT 30 JUNE 2014
Gary Berrell	1,178,412	-	-	-	-	1,191,921
Grant Mooney	2,103,556	-	-	-	-	2,103,556
Lindsay Franker	-	-	-	-	-	-

**Share Options Issued by Barra Resources Limited**

The Directors did not hold any options over ordinary shares in the Company (directly, indirectly or beneficially) in the current or prior year.

**Value of options issued to Directors**

During the year ended 30 June 2015 no options were issued to Directors.

**END OF REMUNERATION REPORT (Audited)**

**Proceedings on behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

**Non Audit Services**

There were no non-audit services provided by the Company's auditor during the year.

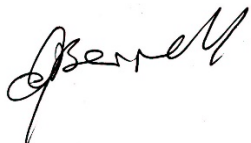
**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9 and forms part of this Directors' Report for the year ended 30 June 2015.

**DIRECTORS' REPORT**

Signed on 21 September 2015 in accordance with a resolution of the Board, made pursuant to Section 298(2) 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 information in this report that relates Exploration Results at Riverina is based on information compiled by Mr Anthony Gray who is a Member of The Australian Institute of Geoscientists and a full-time employee of Octagonal Resources Limited. Mr Gray has sufficient experience which is relevant to the style of 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 Gray 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 Martin's Zone Oxide Deposit Mineral Resource is based on information compiled by Mr Anthony Gray, a full time employee of Octagonal Resources Limited and who is a member of the Australian Institute of Geoscientists. Mr Gray 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 Gray 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.

**AUDITOR'S INDEPENDENCE DECLARATION**



Accountants | Business and Financial Advisers

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Barra Resources Limited for the year ended 30 June 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.

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

Perth, Western Australia  
21 September 2015

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

**BARRA RESOURCES LIMITED**  
**ABN 76 093 396 850**

**Statement of Comprehensive Income**  
**for the year ended 30 June 2015**

	NOTE	30 JUNE 2015 \$	30 JUNE 2014 \$
Royalty income	4	103,300	-
Other income	4	36,372	33,091
<b>Total Revenue</b>		<b>139,672</b>	<b>33,091</b>
Impairment of exploration and evaluation costs	5(b)	(1,333)	(101,516)
Employee benefits expense		(257,673)	(313,409)
Depreciation expense	5(b)	(13,567)	(23,042)
Consulting expenses		(129,742)	(158,982)
Rental expenses		(77,613)	(71,954)
Administration expenses		(139,400)	(110,363)
Options issued expenses		-	(4,900)
Impairment of financial assets	5(a)	(33,548)	(40,500)
Other expenses from ordinary activities		(1,116)	(984)
Loss before income tax expense		(514,320)	(792,559)
Income tax benefit	6	17,117	-
<b>Loss for the year</b>		<b>(497,203)</b>	<b>(792,559)</b>
<b>Other Comprehensive Loss:</b>			
<i>Items that may be reclassified to profit or loss</i>			
Net change in fair value of available-for-sale assets		-	(13,500)
<b>Total Comprehensive Loss for the Year</b>		<b>(497,203)</b>	<b>(806,059)</b>
<b>Earnings Per Share</b>			
Basic earnings/(loss) per share (cents per share)	26	(0.13) cent	(0.21) cent
Diluted earnings/(loss) per share (cents per share)	26	(0.13) cent	(0.21) cent

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**BARRA RESOURCES LIMITED**  
**ABN 76 093 396 850**

**Statement of Financial Position**  
**as at 30 June 2015**

	NOTE	30 JUNE 2015 \$	30 JUNE 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	1,038,996	329,930
Trade and other receivables	10	87,385	1,452,720
Other	11	6,760	18,680
<b>TOTAL CURRENT ASSETS</b>		<b>1,133,141</b>	<b>1,801,330</b>
<b>NON CURRENT ASSETS</b>			
Financial assets	12	33,893	220,500
Rental bond	13	15,000	15,000
Property, plant and equipment	14	49,208	27,401
Exploration and evaluation expenditure	15	8,017,143	7,744,373
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,115,244</b>	<b>8,007,274</b>
<b>TOTAL ASSETS</b>		<b>9,248,385</b>	<b>9,808,604</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	80,170	172,310
Provisions	17	122,500	93,376
<b>TOTAL CURRENT LIABILITIES</b>		<b>202,670</b>	<b>265,686</b>
<b>TOTAL LIABILITIES</b>		<b>202,670</b>	<b>265,686</b>
<b>NET ASSETS</b>		<b>9,045,715</b>	<b>9,542,918</b>
<b>EQUITY</b>			
Issued capital	18	48,889,610	48,889,610
Reserves	19	4,900	4,900
Accumulated losses	20	(39,848,795)	(39,351,592)
<b>TOTAL EQUITY</b>		<b>9,045,715</b>	<b>9,542,918</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.



**BARRA RESOURCES LIMITED**  
**ABN 76 093 396 850**

**Statement of Cash Flows**  
**for the year ended 30 June 2015**

	NOTE	30 JUNE 2015 \$	30 JUNE 2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		33,623	2,805
Payments to suppliers and employees		(615,947)	(545,867)
Interest received		15,600	28,083
R&D tax offset received		17,177	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	21	(549,547)	(514,979)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(35,373)	(1,122)
Sales of property, plant and equipment		9,090	-
Sales of exploration, evaluation and development		1,400,000	600,000
Payments for exploration, evaluation and development expenditure		(274,104)	(424,546)
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		1,099,613	174,332
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Return of cash from bank guarantees no longer required		159,000	297,000
Repayment of loans		-	(297,000)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		159,000	-
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		709,066	(340,647)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		329,930	670,577
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	1,038,996	329,930

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

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

**Statement of Changes in Equity**  
**For the year ended 30 June 2015**

	ORDINARY SHARES	EQUITY- SETTLED BENEFITS RESERVE	INVESTMENT REVALUATION RESERVE	ACCUMULATED LOSSES	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE ENTITY
	\$	\$	\$	\$	\$
<b>BALANCE AS AT 1 JULY 2013</b>	<b>48,889,610</b>	<b>2,139,896</b>	<b>13,500</b>	<b>(40,698,929)</b>	<b>10,344,077</b>
Loss for the year	-	-	-	(792,559)	(792,559)
Impairment of financial assets	-	-	(13,500)	-	(13,500)
Total comprehensive loss for the year	-	-	<b>(13,500)</b>	<b>(792,559)</b>	<b>(806,059)</b>
Transfer of expired options	-	(2,139,896)	-	2,139,896	-
Issue of options	-	4,900	-	-	4,900
<b>BALANCE AS AT 30 JUNE 2014</b>	<b>48,889,610</b>	<b>4,900</b>	<b>-</b>	<b>(39,351,592)</b>	<b>9,542,918</b>
<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 year	-	-	-	(497,203)	(497,203)
Total comprehensive loss for the year	-	-	-	<b>(497,203)</b>	<b>(497,203)</b>
<b>BALANCE AS AT 30 JUNE 2015</b>	<b>48,889,610</b>	<b>4,900</b>	<b>-</b>	<b>(39,848,795)</b>	<b>9,045,715</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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

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**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**1. Corporate Information**

Barra Resources Limited is a for-profit Company limited by shares incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange. Barra Resources Limited registered office and principal place of business is:

Ground Floor, 6 Thelma Street  
West Perth 6005  
Western Australia

The nature of the operations and principal activities of the Company are gold, nickel and cobalt exploration and the development of their gold assets within Australia.

**2. Summary of Accounting Policies**

The significant accounting policies, which have been adopted in the preparation of this financial report, are:

**(a) Statement of compliance**

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 21 September 2015.

**(b) Basis of preparation**

The financial report has been prepared on the basis of historical cost, except for available-for-sale investments and derivative financial instruments which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

In the application of A-IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(c) Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. If applicable, bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**(d) Employee leave benefits**

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of the services of employees up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Defined contribution plans

Contribution to defined contribution superannuation plans are expensed when the employees have rendered services entitling them to the contributions.

**(e) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables, which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**2. Summary of Accounting Policies (continued)**

**(f) Income tax**

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability or asset to the extent that it is unpaid or refundable.

Deferred tax

Deferred tax is provided on all temporary differences at balance date between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences, unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except:

- when it relates to items credited or debited directly to equity in which case the deferred tax is also recognised directly in equity, or
- where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

**(g) Payables**

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

**(h) Property, plant and equipment**

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment and is calculated on a straight line basis to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Motor Vehicles - 3 years

Office Furniture and equipment 3 - 10 years

**(i) Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**2. Summary of Accounting Policies (continued)**

**(j) Trade and other receivables**

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying value directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

**(k) Revenue recognition**

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Sale of Goods

Sales revenue is recognised when significant risks and rewards of ownership have passed to the purchaser.

Royalty Income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

**(l) Share-based payments**

Equity settled transactions:

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model, further details of which are given in Note 30.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Barra Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 26).

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**2. Summary of Accounting Policies (continued)**

**(m) Exploration and evaluation expenditure**

Exploration and evaluation expenditure costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where:

- the right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or
- where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

These assets are considered for impairment on a six monthly basis, depending on the existence of impairment indicators including:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the company has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Accumulated costs in relation to an abandoned area are written off in full against profit/(loss) in the year in which the decision to abandon the area is made.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is then tested for impairment and the balance is then transferred to development.

**(n) Development Costs**

Development costs are recognised at cost less accumulated amortisation and any impairment losses. Exploration expenditure is reclassified to development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource is demonstrable.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward development costs are amortised on a units of production basis over the life of the economically recoverable reserves.

Changes in factors such as estimates of proved and probable reserves that affect unit-of production calculations are dealt with on a prospective basis.

**(o) Issued Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

**(p) Provision for restoration and rehabilitation**

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the cost of removing facilities, abandoning sites/wells and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal and other requirements and technology. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and milling/production facilities is capitalised into the cost of the related asset and depreciated/amortised on the same basis as the related asset, unless the present obligations arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.



**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**2. Summary of Accounting Policies (continued)**

**(q) Interests in joint operations**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of the control of an arrangement, which exists on when decision about the relevant activities require unanimous consent of the parties sharing control.

When a Company undertakes its activities under joint operations, the Company as a joint operator recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets jointly held;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the relevant standards and interpretations applicable to the particular assets, liabilities, revenue and expenses.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Company's financial statement only to the extent of the other parties' interests in the joint operation.

When the Company transacts with a joint operation in which the Company is a joint operator (such as the purchase of assets), the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

**(r) Financial instruments**

**Debt and equity instruments**

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements.

**Transaction costs on the issue of equity instruments**

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

**Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or other 'financial liabilities'. The Company only holds other financial liabilities, including borrowings. Other financial liabilities are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost, with interest expense recognised on an effective yield basis.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

**(s) Financial Assets**

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms requires legal transfer of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Financial assets are classified into the following specific categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition and reviewed at each reporting date.

**Financial assets at fair value through profit and loss**

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

**Available-for-sale financial assets**

Certain financial assets that are non-derivative financial assets are designated as available for sale and are stated at fair value. Gain and losses are recognised directly in equity, with the exception of impairment losses. When the financial assets are disposed of or are determined to be impaired, the gain or loss previously recognised in equity is recognised in profit and loss for the period.

**Notes to the Financial Statements  
for the year ended 30 June 2015**

**2. Summary of Accounting Policies (continued)**

**(r) Financial instruments (continued)**

Loans and receivables

Trade receivables, loan and other receivables are recorded at amortised cost less impairment.

Impairment of financial assets

Financial assets, other than those recorded at fair value through the profit or loss, are assessed for indicators of impairment at each balance date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals or impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**(t) Impairment of assets**

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of comprehensive income immediately.

**(u) Leased assets**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**Notes to the Financial Statements  
for the year ended 30 June 2015**

**(v) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Barra Resources Limited.

**(w) Earnings per share**

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(x) Adoption of new and revised accounting standards**

A number of new or amended standards became applicable for the current reporting period, however, the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. Information on these new standards which are relevant to the Company is presented below.

**AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities**

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014 and has been adopted in this financial report. The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

**AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets**

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended.

These amendments to IAS 36 therefore clarify the IASB’s original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets and is applicable to annual reporting periods beginning on or after 1 January 2014. The adoption of these amendments in this financial report has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**(x) Adoption of new and revised accounting standards (continued)**

**AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)**

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011-2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014. The adoption of these amendments has not had a material impact on the Company as they are largely of the nature of clarification of existing requirements.

**(y) Impact of standards issued but not yet applied by the Company**

New and revised accounting standards and amendments that are currently issued for future reporting periods that are relevant to the Company include:

**AASB 9 Financial Instruments**

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The effective date is for annual reporting periods beginning on or after 1 January 2018.

The Company is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the Company's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

**AASB 14 Regulatory Deferral Accounts**

AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP. Accordingly, an entity that applies AASB 14 may continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of its regulatory deferral account balances. This exemption is not available to entities who already apply Australian Accounting Standards.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When AASB 14 becomes effective for the first time for the year ending 30 June 2017, it will not have any impact on the Company.

**AASB 15 Revenue from Contracts with Customers**

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time at a point in time;
- provides a new and more detailed guidance on specific topics (eg multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

When this Standard is first adopted for the year ending 30 June 2018, there will be no material impact on the transactions and balances recognised in the financial statements.

**Notes to the Financial Statements  
for the year ended 30 June 2015**

(y) Impact of standards issued but not yet applied by the Company (continued)

**AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations**

This amendment impacts on the use of AASB 11 when acquiring an interest in a joint operation.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

**AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

**AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements**

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

**AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures (2011). The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

**3. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**3. Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Critical judgements in applying the entity's accounting policies**

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

**Exploration and evaluation expenditure**

The Company is currently capitalising exploration and evaluation expenditures on various tenements until such time as production is commenced or the area of interest is deemed unlikely to yield benefits either through successful exploitation or sale, at which stage the costs will be recognised in profit and loss.

During the year, the Directors conducted a review to determine the existence of any indicators of impairment in accordance with AASB 6 "Exploration for and Evaluation of Mineral Resources". Based on this review the Company recorded an impairment loss of \$1,333 (2014: \$101,516) on the carrying value of capitalised gold assets.

The Directors have made an assessment in relation to the extent of any necessary reclassification of exploration expenditure to development expenditure as at 30 June 2015. The terms of the agreement with Blue Tiger Mining Pty Ltd only permit mining to a depth of 65 metres and the main ore body associated with the area of interest is below this depth and would require the development of an underground mine operation. The Directors are of the view that the capitalised exploration and evaluation asset pertains to this main ore body and the agreement with Blue Tiger is a commercial arrangement designed to provide short-term cash flows through the extraction of any surface ore. Accordingly, the Directors have maintained the classification of the associated expenditure within exploration and evaluation expenditure.

**Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

**Provision for rehabilitation costs**

Upon cessation of production and exploration activities, the Company will have a statutory requirement to restore disturbed sites through earthmoving, capping and bunding, and reseeded work. The Company has made an estimation of the costing rates and disturbed hectares to calculate a rehabilitation provision as at 30 June 2015. In addition, the discount rate and risk rate used in the calculation are subject to estimation.

**Reserve estimates**

Reserves are estimates of the amount of product that can be economically and legally extracted from the Company's properties. In order to calculate reserves, estimates and assumptions are required about a large range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operation, estimates of reserves may change from period to period.

Changes in reported reserves may affect the Company's financial results and financial position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated future cash flows;
- Depreciation and amortisation charged in the statement of comprehensive income may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change; and
- Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

**4. Revenue from Ordinary Activities**

Other Income:

	30 JUNE 2015 \$	30 JUNE 2014 \$
Interest received from other parties	12,607	30,286
Royalties from gold sales	103,300	-
Other revenue	23,765	2,805
<b>Total Revenue</b>	<b>139,672</b>	<b>33,091</b>



**BARRA RESOURCES LIMITED**  
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**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**5. Loss from Ordinary Activities**

Loss from ordinary activities before income tax has been determined after:

(a) Impairment

*Change in fair value of financial assets:*

	30 JUNE 2015 \$	30 JUNE 2014 \$
Impairment of options held and listed shares	33,548	40,500
(b) Other expenses:		
Depreciation of property, plant and equipment	13,567	23,042
Annual & long service leave charge	14,554	46,666
Impairment of exploration and evaluation costs	1,333	101,516

**6. Income Tax**

(a) Income tax benefit

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statement as follows:

	30 JUNE 2015 \$	30 JUNE 2014 \$
<b>Loss from continuing operations</b>	<b>(514,320)</b>	<b>(792,559)</b>
Income tax benefit calculated at 30% (2014: 30%)	(154,296)	(237,767)
Non deductible expenses in determining taxable loss	10,085	1,487
Temporary differences not brought to account as a deferred tax asset	-	10,125
Tax losses not brought to account as a deferred tax asset	144,221	376,155
Non assessable income	-	(150,000)
R&D tax offset	(17,117)	-
Income tax benefit	(17,117)	-

(b) Deferred Tax liability

Capitalised Exploration expenditure	2,389,992	2,023,831
Less: Deferred tax assets not recognised (tax losses)	(2,389,992)	(2,023,831)
	-	-

(c) Deferred tax assets

Deferred tax assets – temporary differences	57,291	58,209
Deferred tax assets – losses*	12,595,206	14,873,312
Deferred tax liabilities	(2,416,202)	(2,040,235)
Deferred tax assets not recognised	10,236,295	12,891,286

\* Included in the losses are capital losses of \$2,531,911 (2014: \$2,529,886).

The deferred tax asset arising from the tax losses has not been recognised as an asset in the statement of financial position because recovery is not probable.

The taxation benefit of tax losses not brought to account will only be obtained if:

- (a) assessable income is derived of a nature and of an amount sufficient to enable the benefits to be realised;
- (b) conditions for deductibility imposed by the law are complied with; and
- (c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

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**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**7. Remuneration Benefits**

- a) The following were key management personnel of the Company during the financial year:  
 Gary Berrell (*Executive Chairman*)  
 Grant Mooney (*Non-Executive Director and Company Secretary*)  
 Jon Young (*Non-Executive Director*)  
 Lindsay Franker (*Non-Executive Director, resigned 5 January 2015*)

The aggregate compensation made to key management personnel of the Company is set out below:

	30 JUNE 2015	30 JUNE 2014
	\$	\$
Short-term employee benefits	265,193	277,284
Post-employment benefits	17,214	16,769
	<u>282,407</u>	<u>294,053</u>

Details of Key Management Personnel remuneration has been included in the remuneration report section of the Directors' Report. For details of Key Management Personnel holdings in shares and options and related party disclosures refer to the remuneration report.

**8. Auditors' Remuneration**

Amounts received, or due and receivable by the current auditors, HLB Mann Judd, for audit or review of the financial report

30 JUNE 2015	30 JUNE 2014
\$	\$
32,000	29,850

**9. Cash and Cash Equivalents**

Cash at bank	86,967	148,520
Short-term deposits	952,029	181,410
	<u>1,038,996</u>	<u>329,930</u>

Cash at bank earns interest at the floating rates based on the daily bank deposit rates.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

**10. Trade and Other Receivables - Current**

Trade debtors	84,925	48,078
Further amounts receivable under Blue Tiger agreement	-	1,400,000
Other debtors	2,460	4,642
	<u>87,385</u>	<u>1,452,720</u>

Normal trade terms are 30 days and no interest is charged on overdue amounts. No allowance for bad debts has been made as the Directors are of the opinion that all amounts are fully recoverable.

Ageing of amounts that are past due but not impaired:

30-60 days	84,925	48,078
60-90 days	-	-
90+ days	-	-
	<u>84,925</u>	<u>48,078</u>

**11. Other - Current Assets**

Prepayments	6,760	18,680
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**BARRA RESOURCES LIMITED**  
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**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**12. Financial Assets – Non Current**

Mining tenement bonds

Available-for-sale investments carried at fair value – listed company shares

30 JUNE 2015	30 JUNE 2014
\$	\$
21,000	180,000
12,893	40,500
33,893	220,500

**13. Rental Bond – Non Current**

Rental Bond for West Perth office

15,000	15,000
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**14. Property, Plant & Equipment**

Motor Vehicles – at cost

less accumulated depreciation

38,316	45,065
(3,967)	(45,065)
34,349	-

Office furniture and equipment - at cost

less accumulated depreciation

216,326	215,301
(201,467)	(187,900)
14,859	27,401

Total Property, Plant and Equipment

49,208	27,401
--------	--------

*Cost*

Balance at 30 June 2013

Acquisitions

Disposals

Balance at 30 June 2014

Acquisitions

Disposals

Balance at 30 June 2015

Motor Vehicles	Office Furniture & Equipment	Total
\$	\$	\$
46,065	225,224	271,289
-	1,122	1,122
(1,000)	(11,045)	(12,045)
45,065	215,301	260,366
34,349	1,025	35,374
(41,098)	-	(41,098)
38,316	216,326	254,642

*Accumulated Depreciation*

Balance at 30 June 2013

Disposals

Depreciation expense for year

Balance at 30 June 2014

Disposals

Depreciation expense for year

Balance at 30 June 2015

(46,065)	(175,903)	(221,968)
1,000	11,045	12,045
-	(23,042)	(23,042)
(45,065)	(187,900)	(232,965)
41,098	-	41,098
-	(13,567)	(13,567)
(3,967)	(201,467)	(205,434)

**BARRA RESOURCES LIMITED**  
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**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**15. Exploration and Evaluation Expenditure**

	30 JUNE 2015 \$	30 JUNE 2014 \$
Mineral exploration and evaluation expenditure costs carried forward (exploration and evaluation phase)		
Balance at beginning of financial year	7,744,373	9,421,342
Less: exploration expenditure written off	(1,333)	(101,516)
Less: Sale of part of Burbanks gold project (i)	-	(1,951,542)
Exploration and evaluation expenditure	274,103	376,089
Total exploration and evaluation expenditure	8,017,143	7,744,373

- (i) Part of the mining lease M15/161 which incorporates the Burbanks mine was disposed of during the prior year for consideration of \$2 million less costs of disposal of \$48,458.

The recovery of the costs of expenditure carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the discovery of commercially viable mineral and other natural resource deposits and their development and exploration or alternatively their sale.

The Company's title to certain mining tenements is subject to Ministerial approval and may be subject to successful outcomes of native title issues (Refer Note 28).

A review of all capitalised exploration and evaluation expenditure is carried out at each reporting date to determine whether impairment indicators are present (Refer Note 3).

**16. Trade and Other Payables**

Trade payables	14,514	63,524
Employee entitlements	19,562	22,456
Other	46,094	86,330
	80,170	172,310

The average credit period on purchases of goods is 60 days. No interest is charged on the trade payables for the first 60 days from the date of the invoice. Thereafter, interest is charged at varying rate per supplier on the outstanding balance. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

**17. Provisions - Current**

	30 JUNE 2015 \$	30 JUNE 2014 \$
Rehabilitation expenses (a)	85,000	60,000
Long service leave provision	37,500	33,376
	122,500	93,376

- (a) The rehabilitation provision has increased by \$25,000 (2014: decreased \$30,000) based upon the Company's best estimate of the likely cost of tenements in performing rehabilitation work relating to currently disturbed ground. The increase was mainly due to the increase in Phillips Find after a mining closure report.

**Movements in provisions**

Movements in each class of provisions during the financial year (excluding employee benefits) are set out below:

Carrying amount at start of year	60,000	90,000
Increase/(decrease) in provision recognised	25,000	(30,000)
Carrying amount at end of year	85,000	60,000

**BARRA RESOURCES LIMITED**  
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**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**18. Issued Capital**

	Number Shares	\$
Opening Balance 1 July 2013	373,247,883	48,889,610
Closing Balance 30 June 2013	373,247,883	48,899,610
Opening Balance 1 July 2014	373,247,883	48,899,610
<b>Closing Balance 30 June 2015</b>	<b>373,247,883</b>	<b>48,899,610</b>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

**Share options granted under the Employee Share Option Plan (ESOP)**

In accordance with the provisions of the ESOP, as at 30 June 2015, executives (Non-Directors) and senior employees have options over 3,000,000 ordinary shares, in aggregate, expiring on 21 March 2017. Share options granted under the Employee Share Option Plan carry no rights to dividends and no voting rights. Further details of the Employee Share Option Plan are contained in Note 28 to the financial statements.

**Other Share Options**

As at 30 June 2015, the Company has no listed share options on issue (2014: Nil).

As at 30 June 2015, the Company has no unlisted Director Options on issue (2014: Nil).

**19. Reserves**

	30 June 2015 \$	30 June 2014 \$
(a) Equity-settled benefits reserve		
Opening Balance	4,900	2,139,896
Transfer of expired options	-	(2,139,896)
Employee share options expensed	-	4,900
Total Equity-settled benefits reserve (i)	4,900	4,900
(b) Investment revaluation reserve		
Opening Balance	-	13,500
Movements during the year	-	(13,500)
Total investment revaluation reserve (ii)	-	-
Total Reserves	4,900	4,900

(i) The share option reserve is used to record the value of share options granted to employees as part of the Employee Share Option Plan. Increases in the reserve are recognised on a time basis over the vesting period of the options. Refer to Note 30 for further information.

(ii) The investment revaluation reserve is used to record changes in the fair value attributable to available-for-sale financial assets.

**20. Accumulated Losses**

Balance at the beginning of the financial year	(39,351,592)	(40,698,929)
Transfer of expired options	-	2,139,896
Net loss	(497,203)	(792,559)
Balance at the end of the financial year	(39,848,795)	(39,351,592)

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

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**21. Notes to the Statement of Cash Flows**

Reconciliation of Net Loss to Net Cash Flows used in Operating Activities

Profit/(loss) from ordinary activities after income tax	(497,203)	(792,559)
• Depreciation expense	13,567	23,042
• Write off exploration and evaluation expenses	1,333	101,516
• Sale of motor vehicle	(9,090)	-
• Revaluation of share and options held	27,607	40,500
• Issue of employee options	-	4,900
Changes in assets and liabilities		
• Decrease/(Increase) in other debtors	(34,663)	38,076
• Decrease/(Increase) in prepayments	11,918	4,922
• (Decrease)/Increase in other provisions	26,011	3,376
• Increase/(Decrease) in trade creditors	(89,027)	61,248
<b>Net cash used in Operating Activities</b>	<b>(549,547)</b>	<b>(514,979)</b>

**22. Statement of Operations by Segment**

The Company has adopted AASB 8 Operating Segments which requires operating segments to be 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 predominantly in the 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.

**23. Interest in Joint Operation**

The Company has a 50% interest in the Mt Thirsty Joint Venture, which is involved in exploration and evaluation of cobalt, nickel and manganese in Western Australia.

**24. Related Party Transactions**

**(a) Key management personnel compensation**

Details of key management personnel compensation are disclosed in Note 7 to the financial statements.

**(b) Transactions with Director related entities**

Grant Mooney (Mooney and Partners Pty Ltd) was paid \$121,000 (2014: \$141,000) for Company Secretarial and Director's fees for the financial year ended 30 June 2015. These fees are included in the Directors remuneration as disclosed in the Directors' Report.

**(d) Joint Venture interests**

The Company has a 50% interest in the assets, liabilities and output of Mount Thirsty Joint Venture (2014: 50%). The Company has not entered into any transactions with the joint venture during the year (2014: Nil).

**25. Financial Instruments**

**(a) Financial risk management objectives and policies:**

*Overview*

The Company's principal financial instruments comprise receivables, payables, available-for-sale and derivative financial instruments, cash and borrowings. The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and equity price risk.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Company, the Board's objective is to minimise debt and raise funds only as required through the issue of shares or debt.

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

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**25. Financial Instruments (continued)**

(a) Financial risk management objectives and policies (continued):

*Interest rate risk*

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective average interest rates in classes of financial assets and liabilities. The following table details the exposure to liquidity risk and interest rate risk as at year end.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	FIXED INTEREST RATE \$	FLOATING INTEREST RATE \$	NON-INTEREST BEARING \$	CARRYING AMOUNT \$
<b>2015</b>					
<i>Financial Assets</i>					
Cash	2.23	952,029	69,177	17,790	1,038,996
Security deposits	2.25	21,000	-	-	21,000
Receivables	-	-	-	87,385	87,385
Rental Bond	-	15,000	-	-	15,000
Available-for-sale and derivative financial assets	-	-	-	12,893	12,893
		988,029	69,177	118,068	1,175,274
<i>Financial Liabilities</i>					
Accounts payable		-	-	80,170	80,170
		-	-	80,170	80,170
<b>2014</b>					
<i>Financial Assets</i>					
Cash	2.81	181,410	124,769	23,751	329,930
Security deposits	3.49	180,000	-	-	180,000
Receivables	-	-	-	1,452,720	1,452,720
Available-for-sale and derivative financial assets	-	-	-	40,500	40,500
		361,410	124,769	1,516,971	2,003,150
<i>Financial Liabilities</i>					
Accounts payable		-	-	172,310	172,310
		-	-	172,310	172,310

The following table represents a summary of the interest rate sensitivity of the Company's Financial Assets and Financial liabilities at year end upon the loss for the period and upon equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period:

		-1% CHANGE		+1% CHANGE	
	CARRYING AMOUNT \$	LOSS \$	EQUITY \$	LOSS \$	EQUITY \$
<b>2015</b>					
<i>Financial Assets</i>					
Cash	1,038,996	(171)	(171)	171	171
Security deposits	21,000	-	-	-	-
Receivables	87,385	-	-	-	-
Available-for-sale and derivative financial assets	12,893	-	-	-	-
		(171)	(171)	171	171
<i>Financial Liabilities</i>					
Accounts payable	80,170	-	-	-	-
		-	-	-	-
<i>Total Increase/(Decrease)</i>		(171)	(171)	171	171



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

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**25. Financial Instruments (continued)**

(a) Financial risk management objectives and policies: (continued)

*Interest rate risk (continued)*

	CARRYING AMOUNT \$	-1% CHANGE		+1% CHANGE	
		LOSS \$	EQUITY \$	LOSS \$	EQUITY \$
<b>2014</b>					
<i>Financial Assets</i>					
Cash	329,930	(1,248)	(1,248)	1,248	1,248
Security deposits	180,000	-	-	-	-
Receivables	1,452,721	-	-	-	-
Shares in unlisted companies	40,500	-	-	-	-
		<b>(1,248)</b>	<b>(1,248)</b>	<b>1,248</b>	<b>1,248</b>
<i>Financial Liabilities</i>					
Accounts payable	172,310	-	-	-	-
		-	-	-	-
<i>Total Increase/(Decrease)</i>		<b>(1,248)</b>	<b>(1,248)</b>	<b>1,248</b>	<b>1,248</b>

*Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The risk arises principally from cash and cash equivalents and trade and other receivables. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any allowances for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The Company does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

The Company is exposed to interest rate risk through funds on deposit at floating interest rates. The Company manages cash to ensure that the majority of cash is held in higher interest bearing accounts. The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the interest rate risk section of this note.

*Fair value*

The fair value of financial assets and financial liabilities approximate their carrying value. Net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table present the Company's assets and liabilities measured and recognised at fair value at 30 June 2015.

	LEVEL 1 \$	LEVEL 2 \$	LEVEL 3 \$	TOTAL \$
<b>2015</b>				
<b>Assets</b>				
Available-for-sale financial assets	12,893	-	-	12,893
	<b>12,893</b>	<b>-</b>	<b>-</b>	<b>12,893</b>

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**25. Financial Instruments (continued)**

(a) Financial risk management objectives and policies: (continued)

*Fair Value (continued)*

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	\$	\$	\$	\$
<b>2014</b>				
<b>Assets</b>				
Available-for-sale financial assets	40,500	-	-	40,500
	<b>40,500</b>	<b>-</b>	<b>-</b>	<b>40,500</b>

Fair values for the listed financial assets above are determined by reference to quoted ASX market prices and therefore there are no unobservable inputs in fair value.

*Capital risk management*

The Company manages its capital to ensure that it will be able to continue as a going concern, whilst optimising the debt/equity structure to support the long-term strategic objectives of the Company. The Company's overall strategy remains unchanged from 2012.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 16, cash and cash equivalents disclosed in Note 9 and equity attributable to the shareholders, comprising issued capital and reserves, as disclosed in Notes 18 and 19.

There are no externally imposed capital requirements.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash at bank, finance leases and hire purchase contracts. The Company has appropriate procedures to manage cash flows to ensure that sufficient funds are available to meet its commitments.

*Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

*Liquidity and interest risk tables*

The following tables detail the Company's remaining contractual maturity for its non derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	LESS THAN 3 MONTHS	3-12 MONTHS	1-5 YEARS	GREATER THAN 5 YEARS	TOTAL
	\$	\$	\$	\$	\$
<b>2015</b>					
<b>Financial liabilities:</b>					
Accounts payable	80,170	-	-	-	80,170
	<b>80,170</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,170</b>
<b>2014</b>					
<b>Financial liabilities:</b>					
Accounts payable	172,310	-	-	-	172,310
	<b>172,310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172,310</b>

*Market risk*

The Company does not trade in foreign currency and is not materially exposed to other price risk.

**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**25. Financial Instruments (continued)**

**(a) Financial risk management objectives and policies: (continued)**

*Equity Price risk*

The Company is exposed to equity price risks arising from available-for-sale and derivative financial assets. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments. The derivatives held by the Company are minor investments in listed shares. To manage its price risk arising from investments in equity securities, the Company monitors the share prices of the investments.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the balance date.

At balance date, if the equity prices had been 5% higher or lower:

- Net loss for the year ended 30 June 2015 would decrease/increase by \$942 (2014: \$2,025) as a result of the changes in fair values of shares and options held in a listed company; and
- Other equity reserves would decrease/increase by \$Nil (2014: \$Nil) for the Company, as a result of the changes in fair value of available-for-sale shares.

**26. Earnings per Share**

	30 JUNE 2015 Cents	30 JUNE 2014 Cents
Basic earnings/(loss) per share (cents per share)	(0.13)	(0.21)
Diluted earnings/(loss) per share (cents per share)	(0.13)	(0.21)

*Basic earnings/(loss) per share*

The loss and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	30 JUNE 2015 \$	30 JUNE 2014 \$
Profit/(Loss)	(497,203)	(792,559)

	30 JUNE 2015 No.	30 JUNE 2014 No.
Weighted average number of ordinary shares	373,247,883	373,247,883

The options on issue are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share.

All potential ordinary shares have no dilutive effect to the diluted loss per share.

**27. Significant Events Subsequent to Year End**

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods, other than the following:

- Subsequent to the end of the financial year, the Company, pursuant to the right to mine agreement with Blue Tiger Mining, received an estimate of the final payment of \$509,000 from production at the Newminster Mine. This payment is comprised of a fixed payment of \$200,000 plus a royalty, payable by BTM.

**28. Contingent Liabilities**

In June 1992, the High Court of Australia held in the Mabo case that the common law of Australia recognises a form of native title. The full impact that the Mabo decision may have on tenements held by the Company is not yet known. The Company is aware of native title claims that have been lodged with the National Native Title Tribunal ("the Tribunal") over several areas in Western Australia in which the Company holds interests. The native title claims have been accepted by the Tribunal for determination under section 63(1) of the Native Title Act 1993 (Commonwealth).

**BARRA RESOURCES LIMITED**  
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**Notes to the Financial Statements**  
**for the year ended 30 June 2015**

**29. Commitments for Expenditure**

These amounts are payable, if required, over various times over the next five years. In addition, royalty payments may be payable if certain conditions are met in the future. At this time, the Directors do not consider the payments to be probable.

**1. Operating Lease Commitment:**

The Company rents an office which has a lease term of 36 months from 1 September 2012. The Company exercised its option to extend the lease for a further 36 months from 1 September 2015.

	30 JUNE 2015 \$	30 JUNE 2014 \$
Due within 1 year	73,170	76,431
Due within 2 to 5 years	155,172	13,220
Due after 5 years	-	-

**2. Exploration Expenditure Commitments**

The Company has minimum statutory commitments as conditions of tenure of certain mining tenements. Whilst these obligations may vary, a reasonable estimate of the minimum commitment projected to 30 June 2015 if it is to retain all of its present interests in mining and exploration properties, are as follows:

Annual commitment	263,800	291,700
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**30. Share-Based Payments**

The following share-based payments were in existence in the current and comparative reporting periods:

OPTION SERIES	ISSUE DATE	NUMBER	GRANT DATE	EXPIRY DATE	EXERCISE PRICE \$	FAIR VALUE AT GRANT DATE \$
ESOP (i)	21 March 2014	1,000,000	21 March 2014	21 March 2017	0.06	0.0023
ESOP (i)	21 March 2014	1,000,000	21 March 2014	21 March 2017	0.04	0.0015
ESOP (i)	21 March 2014	1,000,000	21 March 2014	21 March 2017	0.02	0.0011

- (i) On 21 March 2014, the Company issued 3,000,000 options to employees under the Employee Share Option Plan. The number of options were issued in 3 parcels of 1,000,000 options each at the expiry dates as shown in the table above.

**Reconciliation of movements in options**

	2015		2014	
	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE \$	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE \$
Balance at Beginning of year	3,000,000	0.04	3,000,000	0.15
Granted	-	-	3,000,000	0.04
Expired	-	-	(3,000,000)	(0.15)
Exercised	-	-	-	-
Forfeited	-	-	-	-
Balance at end of year	3,000,000	0.04	3,000,000	0.04

**Exercised during the year**

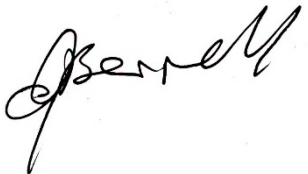
There were no share options exercised during the year.

**Directors' Declaration**

1. In the opinion of the Directors of Barra Resources Limited (the 'Company'):
  - a. the financial statements, notes and the additional disclosures of the Company are in accordance with the Corporations Act 2001 including:
    - i. giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year then ended; and
    - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001, professional reporting standards and other mandatory requirements.
  - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

This declaration is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors:



**GARY BERRELL**  
Chairman

Dated this 21<sup>st</sup> day of September 2015

**Independent Auditors' Report**



Accountants | Business and Financial Advisers

**INDEPENDENT AUDITOR'S REPORT**

To the members of Barra Resources Limited

**Report on the Financial Report**

We have audited the accompanying financial report of Barra Resources Limited ("the Company"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Barra Resources Limited.

***Directors' responsibility for the financial report***

The directors of the Company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error.

In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

**Independent Auditors' Report**



Accountants | Business and Financial Advisers

**Auditor's opinion**

In our opinion:

- (a) the financial report of Barra Resources Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

**Report on the Remuneration Report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

**Auditor's opinion**

In our opinion the remuneration report of Barra Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd**  
**Chartered Accountants**

A handwritten signature in blue ink that reads 'D I Buckley'.

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

**Perth, Western Australia**  
**21 September 2015**



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

**Additional Information and Corporate Governance**

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 17 September 2015.

SPREAD OF HOLDINGS			TOTAL SHAREHOLDERS	TOTAL OPTIONHOLDERS
1	-	1,000	66	-
1,001	-	5,000	372	-
5,001	-	10,000	326	-
10,001	-	100,000	887	-
100,001	-	and over	448	1
Number of Holders			2,099	1

Number of shareholders holding less than a marketable parcel: 1,445

**Substantial Shareholders**

SHAREHOLDER NAME	NUMBER OF SHARES
FMR Investments Pty Limited	81,700,262

**Voting Rights**

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights.

**Statement of Quoted Securities**

Listed on the Australian Securities Exchange are 373,247,883 fully paid shares.

**Company Secretary**

The name of the Company Secretary is Grant Jonathan Mooney.

**Registered Office**

The registered office is at  
Ground Floor  
6 Thelma Street  
West Perth Western Australia 6005

The telephone number is:  
(08) 9481 3911

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

**Additional Information and Corporate Governance**

**Twenty Largest Holders of Each Class of Quoted Equity Securities**

ORDINARY FULLY PAID SHARES as at 17 September 2015

SHAREHOLDER NAME	NUMBER OF SHARES	PERCENTAGE OF CAPITAL
FMR Investments Pty Ltd	81,700,262	21.89%
Luitingh Lafras	10,855,123	2.91%
Alban Horst Hasslinger	8,640,000	2.31%
Neptune Design Ltd	7,600,000	2.04%
Hahn Props Pty Ltd <Hahn Asset A/c>	7,410,515	1.99%
Lippo Securities Nominees BVI Ltd <Client A/c>	7,149,000	1.92%
Citicorp Nominees Pty Ltd	4,746,586	1.27%
JP Morgan Nominees Australia Ltd	3,992,608	1.07%
Bonos Pty Ltd	3,936,114	1.05%
Ragged Holdings Pty Ltd <Ragged Super Account>	3,700,000	.99%
Alan & Melinda Brien <A&M Brien Super Fund A/c>	3,387,557	.91%
HSBC Custody Nominees Australia Ltd	3,306,993	.89%
Laurie Barichello	3,250,000	.87%
Allan Stanley & DH Hahn	3,000,000	.80%
Terry Morgan Enterprises Pty Ltd <Terry Morgan Super Fund A/c>	2,873,178	.77%
Lamb Family Super Fund Pty Ltd <Lamb Family Super Fund A/c>	2,800,000	.75%
Green Drilling Pty Ltd	2,770,550	.74%
Nothers Friend	2,675,000	.72%
UOB Kay Kian Private Ltd <Clients Account>	2,297,365	.62%
Lawrence Crowe Cons. Pty Ltd <LLC Super Fund A/c>	2,288,971	.61%
<b>TOTAL</b>	<b>168,379,822</b>	<b>45.12%</b>

**Holders of Securities in an Unquoted Class**

**OPTIONS (DIRECTORS)**

There are no directors' options on issue.

**OPTIONS (EMPLOYEES)**

There are a total of 3,000,000 unlisted options issued to employees. These options have been issued pursuant to the Company's Employee Share Option Plan. 1,000,000 of these options are exercisable on or before 21 March 2017 at an exercise price of \$0.02 each, 1,000,000 of these options are exercisable on or before 21 March 2017 at an exercise price of \$0.04 each and 1,000,000 of these options are exercisable on or before 21 March 2017 at an exercise price of \$0.06 each.

**Additional Information and Corporate Governance**

**Corporate Governance**

**(a) The Board of Directors**

The primary responsibility for the Board is to represent and advance Shareholder's interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability. The Company has adopted the *ASX Corporate Governance Principles and Recommendations* with some amendments where applicable after giving consideration to the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration. A summary of the Company's key policies follow.

**(b) Board and Senior Executive Evaluation**

The Board considers the ongoing development and improvement of its own performance as critical input to effective governance. The Board will undertake an annual evaluation of its effectiveness as a whole. The Chairman will review the individual performance of each Board member annually.

The Chairman's performance is evaluated by the Board annually. All senior executives of Barra Resources are subject to an annual performance evaluation. Each year, senior executives establish a set of performance targets with her or his superior. These targets are aligned to overall business goals and requirements of the position. In the case of the Managing Director (if present), these targets are established between the Managing Director and the Board.

**(c) Code of Conduct**

The Board, management and all employees of Barra Resources are committed to implementing Barra Resources' core principles and values as stated in this Code of Conduct when dealing with each other and with customers, suppliers, government authorities, creditors and the wider community.

Barra Resources is dedicated to delivering outstanding performance for investors and employees. Barra Resources aspires to be a leader in its field while operating openly, with honesty, integrity and responsibility and maintaining a strong sense of corporate social responsibility. In maintaining its corporate social responsibility Barra Resources will conduct its business ethically and according to its values, encourage community initiatives, consider the environment and ensure a safe, equal and supportive workplace.

**(d) Continuous Disclosure**

In accordance with the ASX Listing Rules, Barra Resources will immediately notify the ASX of information concerning Barra Resources that a reasonable person would expect to have a material effect on the price or value of Barra Resources securities.

The only exception to this requirement is where the ASX Listing Rules do not require such information to be disclosed.

Upon confirmation of receipt from the ASX, Barra Resources will post all information disclosed to ASX on its website.

**(e) Selection of External Auditor**

The Board identifies and recommends an appropriate external auditor for appointment, in conjunction with senior management and/or Barra Resources in general meeting. The appointment is made in writing.

The external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to Barra Resources' accounts for a year of more than five consecutive years. Further, once rotated off Barra Resources' accounts, no partner of the external auditor may assume any responsibility in relation to Barra Resources' accounts for a period of five consecutive years.

The Company has appointed, with their consent, HLB Mann Judd as its auditors.

**Additional Information and Corporate Governance**

**(f) Senior Executives Remuneration**

Barra Resources is committed to remunerating its senior executives in a manner that is market competitive, consistent with best practice and supports the interests of shareholders. Consequently, senior executives' remuneration consists of a fixed salary, statutory superannuation and, subject to the terms of their engagement, a fully serviced motor vehicle and mobile phone expenses.

All reasonable out of pocket expenses incurred by the senior executive in connection with the performance of duties on behalf of Barra Resources will be reimbursed.

In addition, the Company has established an employee share option plan ("ESOP") in order to provide an incentive for senior executives and other employees to participate in the future growth of the Company. The ESOP is administered in accordance with the ESOP rules which can be viewed, in full, on the Company's website.

**(g) Non-executive Directors Remuneration**

Non-executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. The sum each Non-Executive Director is paid is determined by the Board from time to time. Additional fees may be paid for participation on Board Committees however, the total fees paid to Non-Executive Directors, including fees paid for participation on Board Committees, are kept within the total amount approved by shareholders. At present the maximum aggregate remuneration of Non-Executive Directors is \$400,000 per annum.

**(h) Selection and Appointment of New Directors**

Candidates for the Board are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within Barra Resources' scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities. Directors are initially appointed by the full Board, subject to election by shareholders at the next general meeting.

**(i) Risk Management**

Risk recognition and management are viewed by Barra Resources as integral to the Company's objectives of creating and maintaining shareholder value, and the successful execution of the Company's mineral exploration and development.

There are a range of specific risks that have the potential to have an adverse impact on Barra Resources' business. The Company has developed a framework for a risk management policy and internal compliance and control system which covers organisational, financial and operational aspects of the Company's affairs.

Management reports to the Board annually in relation to the key business risks, the control system in place to manage such risks and how effective the risk management system is operating.

**(j) Security Trading**

Barra Resources recognises that directors, officers and employees may hold securities in Barra Resources and that most investors are encouraged by these holdings. It is the responsibility of the individual director, officer or employee to ensure that any trading by the director, officer or employee complies with the Corporations Act 2001, the ASX Listing Rules and Company Policy.

A breach of this policy may lead to disciplinary action. It may also be a breach of the law.

On 24 December 2010, the Company adopted a new Securities Trading Policy which sets out procedures and protocols to be complied with if a director, officer or employee wishes to trade in the Company's securities. These procedures and protocols include the clear establishment of "blackout periods" where trading in the Company's securities by a director, officer or employee is prohibited as well as approvals required for trading in securities during non-blackout periods.

**(k) Shareholder Communication Policy**

The Board aims to ensure that shareholders are informed of all major developments affecting Barra Resources. All shareholders receive the Company's annual report, and may also request copies of the Company's half-yearly and quarterly reports. The Board also encourages full participation of shareholders at the Company's annual general meeting.

In addition, the Company maintains a website at [www.barraresources.com.au](http://www.barraresources.com.au) which is regularly updated.

**Additional Information and Corporate Governance**

**(l) Independent Professional Advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

**(m) Matters for Approval by the Board of Directors**

The Board has adopted a list of matters required to be brought before the Board of Directors for approval. This provides an important means of dividing responsibility between the Board and management, assisting those affected by corporate decisions to better understand the respective accountabilities and contributions of the Board and the Senior Executives.

**(n) Diversity Policy**

The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. As such, the Board has adopted a policy to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

**(o) Explanations for Departure From Best Practice Recommendations**

During the reporting year from the Company has complied with each of the Essential Corporate Governance principles and the corresponding Best Practice Recommendations as published by ASX Corporate Governance Council ("ASX Principles and Recommendations"), other than in relation to the matters specified below.

**EXPLANATION FOR DEPARTURE FROM BEST PRACTICE RECOMMENDATIONS**

The Company has complied with each of the Eight Corporate Governance Principles and Recommendations as published by ASX Corporate Governance Council, other than in relation to the matters specified below.

**Additional Information and Corporate Governance**

**Principle 1: Lay solid foundations for management and oversight**

**Recommendation 1.1**

*The listing entity should disclose:*

- (a) the respective roles and responsibilities of its board and management; and*
- (b) those matters expressly reserved to the board and those delegated to management.*

The Company complies with this recommendation.

A policy on matters reserved for the Board is outlined in the "Statement of Board and Management Functions" available on the Company's website.

The Company has established clear details of the roles and responsibilities of each of its board management members.

**Recommendation 1.2**

*A listed entity should:*

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and*
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company complies with this recommendation.

The Company has a policy for the evaluation of the Board and Senior Executives in accordance with the Board Charter, available on the Company's website.

The appointment of any director is subject to subsequent approval by shareholders at the next Annual General Meeting of the Company. Meeting materials for such meeting incorporates all relevant details to assist shareholders in deciding whether or not to elect or re-elect that director.

**Recommendation 1.3**

*A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

The Company complies with this recommendation.

Prior to the formal appointment of any director, a written agreement is entered into between the Company and the director setting out the terms and conditions of their appointment.

*The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.*

The Company complies with this recommendation.

**Recommendation 1.5**

*A listed entity should:*

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- (b) disclose that policy or a summary of it; and*
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either;*
  - (i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
  - (ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.*

The Company does not comply with this recommendation. The Company has not yet set measurable objectives for achieving diversity. The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company. Due to the size of the Company, the Board does not consider it appropriate at this time to formally set objectives for gender diversity. The Company currently employs (including on a consulting basis) 6 staff (2 females and 4 males).

**Additional Information and Corporate Governance**

**Recommendation 1.6**

*A listed entity should:*

- (a) *have and disclose a process for periodically evaluation the performance of the board, its committees and individual directors; and*
- (b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Company complies with this recommendation.

On an annual basis the Company undertakes a review of the Board, its committees and individual directors which is confirmed in the Annual Report.

**Recommendation 1.7**

*A listed entity should:*

- (a) *have and disclose a process for periodically evaluating the performance of its senior executives; and*
- (b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Company complies with this recommendation.

On an annual basis the Company undertakes a review of the senior executives which is confirmed in the Annual Report.

**Principle 2: Structure the board to add value**

**Recommendation 2.1**

*The board of a listed entity should:*

- (a) *have a nomination committee which:*
  - (i) *has at least three members, a majority of whom are independent directors; and*
  - (ii) *is chaired by an independent director; and disclose:*
  - (iii) *the charter of the committee;*
  - (iv) *the members of the committee; and*
  - (v) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

*if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

The Company does not comply with this recommendation. Given the Company's size, it is not considered necessary to have a separate Nomination Committee.

In addition to the above, the following information is provided:

- (a) the skills, experience and expertise of each of the Company's directors are set out in the Company's Annual Report;
- (b) the Board, in consultation with external advisers where required, undertakes this role; and
- (c) the Board Charter provides for the proper assessment of prospective directors and include, but are not limited to, their relevant experience and achievements, compatibility with other Board members, credibility within the Company's scope of activities, and intellectual and physical ability to undertake Board duties and responsibilities.

**Recommendation 2.2**

*A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

The Company complies with this recommendation.

The skills, experience and expertise of each of the Company's directors are set out in the Company's Annual Report.

**Recommendation 2.3**

*A listed entity should disclose:*



**Additional Information and Corporate Governance**

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

The Company complies with this recommendation.

Non-Executive Director Grant Mooney is considered an Independent Director while Jon Young and Gary Berrell are not considered to be independent.

The length of service of each Director is set out in the Annual Report.

**Recommendation 2.4**

*A majority of the board of a listed entity should be independent directors.*

The Company currently does not comply with this recommendation for the reason referred to above.

**Recommendation 2.5**

*The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*

The Company does not comply with this recommendation.

Given the size of the Group, the Board considers it is prudent to combine the roles of Chairman and Executive to preserve funds.

**Recommendation 2.6**

*A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors efficiently.*

The Company complies with this recommendation.

The Company has established a process for induction of new directors and where possible, provides each director with opportunities for professional development such that they can improve their effectiveness as directors of the Company.

**Principle 3: Act ethically and responsibly**

**Recommendation 3.1**

*A listed entity should:*

- (a) *have a code of conduct for its directors, senior executives and employees; and*
- (b) *disclose that code or a summary of it.*

The Company complies with this recommendation.

The Company has established a code of conduct for all directors, senior executives and employees which is summarised in the Company's Annual Report.

**Principle 4: Safeguard integrity in corporate reporting**

**Recommendation 4.1**

*The board of a listed entity should:*

- (a) *have an audit committee which:*
  - (i) *has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
  - (ii) *is chaired by an independent director, who is not the chair of the board,*  
*and disclose:*
    - (iii) *the charter of the committee;*
    - (iv) *the relevant qualifications and experience of the members of the committee; and*
    - (v) *in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

**Additional Information and Corporate Governance**

- (b) *if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Company does not comply with this recommendation.

The Directors are of the view that given the size of the Company and the relatively small number of directors, it is not practical to have an Audit Committee. The Board undertakes this role.

The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being Company risk, controls and general and specific financial matters, as detailed in Risk Management and Compliance and Control on the Company's website.

**Recommendation 4.2**

*The board of the listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Company complies with this recommendation. The Board receives assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration in relation to section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company also has a separate policy in relation to Risk Management which is available on the Company's website.

**Recommendation 4.3**

*A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

The Company complies with this recommendation.

The Company's auditor attends the annual general meeting of the Company and is available to answer any question in relation to the audit.

**Principle 5: Make timely and balanced disclosure**

**Recommendation 5.1**

*A listed entity should:*

- (a) *have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*  
(b) *disclose that policy or a summary of it.*

The Company complies with this recommendation.

The Company has a Continuous Disclosure policy which is set out on the Company's website.

**Principle 6: Respect the rights of security holders**

**Recommendation 6.1**

*A listed entity should provide information about itself and its governance to investors via its website.*

The Company complies with this recommendation.

A summary of the Company's Corporate Governance policies is set on the Company's website.

**Recommendation 6.2**

*A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

The Company complies with this recommendation.

The Company has established an investor relations program to ensure effective communications between the Company and shareholders and investors.

**Recommendation 6.3**

*A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

**Additional Information and Corporate Governance**

The Company complies with this recommendation.

The Company has a Shareholder Communication Policy which is set out on the Company website.

**Recommendation 6.4**

*A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The Company complies with this recommendation.

The Company provides the option to shareholders to receive communications electronically, notification of this option is provided by the Company registry.

**Principle 7: Recognise and manage risk**

**Recommendation 7.1**

*The board of a listed entity should:*

- (a) *have a committee or committees to oversee risk, each of which:*
  - (i) *has at least three members, a majority of whom are independent directors; and*
  - (ii) *is chaired by an independent director;*
- And disclose:*
  - (iii) *the charter of the committee;*
  - (iv) *the members of the committee; and*
  - (v) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Company does not comply with this recommendation.

The Directors are of a view that given the size of the Company, it is not necessary to have a separate committee to oversee risk and this function is undertaken directly by the Board and senior management at regular intervals. The Risk Management Policy is available on the Company's website.

**Recommendation 7.2**

*The board or a committee of the board should:*

- (a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*
- (b) *disclose, in relation to each reporting period, whether such a review has taken place.*

The Company complies with this recommendation.

As stated above, in the forum of board meetings the board regularly addresses certain risks that may affect the Company's business interests and confirmation of these risks being addressed are noted in the Corporate Governance Policies within the Annual Report.

**Recommendation 7.3**

*A listed entity should disclose:*

- (a) *if it has an internal audit function, how the function is structured and what role it performs; or*
- (b) *if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.*

The Company does not comply with this recommendation.

The Directors are of the view that given the size of the Company, it is not practical to have an internal audit function and that risk management is undertaken by the Board and senior management.

**Recommendation 7.4**

*A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Company does not comply with this recommendation.

**Additional Information and Corporate Governance**

The Directors are of the view that given the Company's size, risks are addressed directly by the Board and senior management and are not disclosed externally.

**Principle 8: Remunerate fairly and responsibly**

***Recommendation 8.1***

*The board of a listed entity should:*

- (a) have a remuneration committee which:*
  - (i) has at least three members, a majority of whom are independent directors; and*
  - (ii) is chaired by an independent director;*
- and disclose:*
  - (iii) the charter of the committee;*
  - (iv) the members of the committee; and*
  - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The Company does not comply with this recommendation.

The Company does not presently have a remuneration committee.

The Directors are of the view that given the size of the Company, the relatively small number of directors it is not practical to have a remuneration committee. The Board undertakes this role with the assistance of any external advice which may be required from time to time.

***Recommendation 8.2***

*A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The Company complies with this recommendation.

The Company has separate policies relating to the remuneration of non-executive directors as opposed to senior executives.

These policies provide a basis for distinguishing the type of remuneration which is suitable for the two classes.

***Recommendation 8.3***

*A listed entity which has an equity-based remuneration scheme should:*

- (a) have a policy on whether participants are permitted to enter into transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- (b) disclose that policy or a summary of it.*

The Company complies with this recommendation.

The Company has a Securities Trading Policy which, among other things, sets out the Company's policy on trading the Company's securities. A copy of this policy is on the Company's website.