

Activity Report for the Quarter Ended 30 September 2009



OVERVIEW

MT THIRSTY PROJECT – WA (Barra 50%)

- ❖ Discovery of strongly anomalous nickel concentrations associated with disseminated and stringer sulphides in several zones above the interpreted basal footwall contact in diamond drill hole MTDD008.
- ❖ Downhole Electromagnetic (“EM”) survey defines off hole EM conductor of high interest at Woodcutters Prospect.
- ❖ Second nickel sulphide exploration diamond drilling program in progress at Mt Thirsty and Woodcutters Prospect.
- ❖ Review of previous metallurgical test results and further detailed test work by Independent Metallurgical Operations Pty Ltd (“IMO”) nears completion prior to the commencement of a feasibility study 2009/2010.
- ❖ Mt Thirsty hosts a current JORC Indicated Resource of 14,230,000 tonnes at 0.11% cobalt, 0.52% nickel and 0.77% manganese and Inferred Resource of 14,800,000 tonnes at 0.14% cobalt, 0.59% nickel and 0.99% manganese. This equates to a potential mine life of 15 years at a throughput rate of 2 million tonnes per annum (“tpa”).

BURBANKS UNDERGROUND GOLD MINE – WA (Barra 100%)

- ❖ Mining operations continue at the Burbanks gold mine following a new tribute mining and profit-share arrangement between the Company and Mulgabbie Mining Pty Ltd (“Mulgabbie”).
- ❖ Burbanks has a current JORC Indicated Resource of 250,000 tonnes at 3.43 grams per tonne gold for 27,570 ounces and Inferred Resource of 141,000 tonnes at 2.92 grams per tonne gold for 13,240 ounces at a 1.0g/t lower gold grade cut-off.

PHILLIPS FIND GOLD PROJECT – WA (Barra 100%)

- ❖ Successful completion of 14 hole RC drilling program for 1,640 metres at Diablo prospect to test extent of shallow high-grade mineralisation intersected in RAB drillhole PFRB051 (14 metres grading 5.75 grams per tonne gold) drilled last quarter, with results pending.
- ❖ The Newminster Gold Deposit hosts a JORC Indicated Resource of 84,111 tonnes at 4.62g/t for 12,500 ounces of gold and an Inferred Resource of 32,265 tonnes at 2.50g/t for 2,600 ounces of gold.

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EXPLORATION

1. Mt THIRSTY PROJECT (50% Barra; 50% Fission)

The 55km² Mt Thirsty Cobalt-Nickel-Manganese Oxide Project is located 20km north-northwest of Norseman in southern Western Australia. It is a 50/50 joint venture between the Company and ASX listed Fission Energy Limited (“Fission”) (collectively referred to as the “Joint Venture”).

The Mt Thirsty Deposit has the potential to emerge as one of the world’s most significant cobalt suppliers. Metallurgical testwork indicates that high recoveries of cobalt, nickel and manganese can be achieved through low temperature atmospheric leaching.

Recent diamond drilling has also intersected primary nickel sulphide mineralisation in the first hole designed to test a substantial electromagnetic anomaly adjacent to the Joint Venturers’ Mt Thirsty Cobalt-Nickel-Manganese Oxide Deposit.

The exploration strategy is based on a geological model similar to basal lava channel embayment-type structures observed at Kambalda. Basal lava channel embayments located on ultramafic-basalt contacts are a preferred location for nickel sulphide accumulations in the Kambalda region.

Cobalt- Nickel Oxide Resource Estimation

A JORC compliant resource update is due to commence shortly and is to be undertaken by independent mining consultants Golder and Associates Pty Ltd. This update will include the results of this most recent aircore drilling which will allow the estimation of any additional Inferred Resource that may be present within the 600m strike length to the southern tenement boundary.

Mt Thirsty currently contains a JORC Indicated Resource of 14,230,000 tonnes at 0.11% cobalt, 0.52% nickel and 0.77% manganese and Inferred Resource of 14,800,000 tonnes at 0.14% cobalt, 0.59% nickel and 0.99% manganese over an apparent strike of 1.3 km and a width of around 800m (see Figure 1). This equates to a potential mine life of 15 years at a throughput rate of 2 million tonnes per annum (“tpa”).

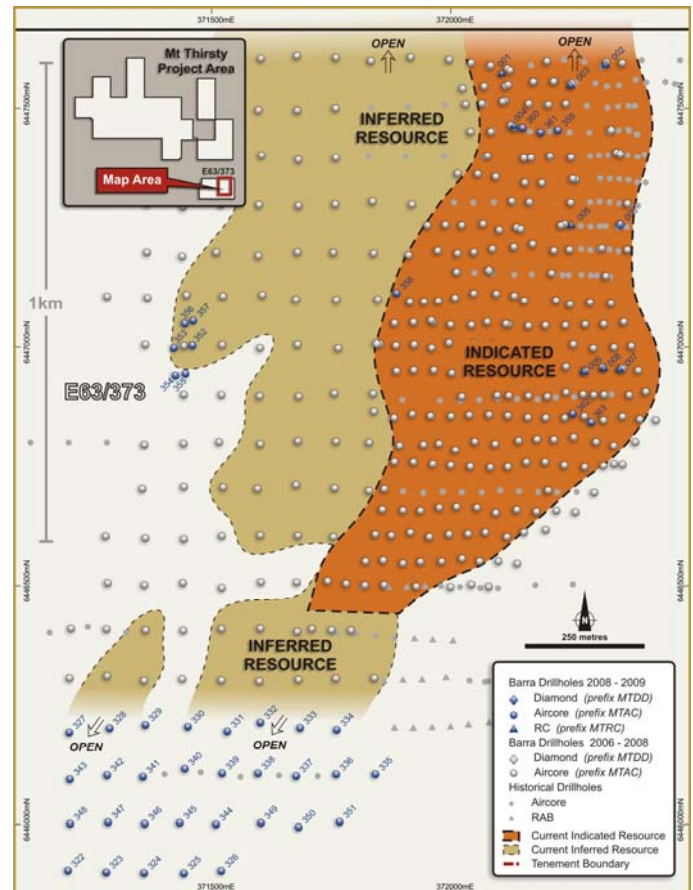
Feasibility Study

Consultants from IMO were engaged during last quarter to review the previous metallurgical test work and flow sheet design for the plant. IMO have also commenced further detailed test work and evaluation and a program to facilitate timely preparation of a feasibility study. Results are expected next quarter

with the view of launching into feasibility studies early in 2010.

These consultants were specifically selected by the Joint Venture for their particular experience and expertise in the processing of nickel – cobalt oxide deposits as well as broader commercial aspects of these businesses.

Figure 1: Mt Thirsty Drill Hole Location and Resource Outline



Nickel Sulphide Exploration

Diamond hole MTDD8 was drilled during July to the depth capacity of the rig at 1,070m to test a substantial EM anomaly adjacent to the Joint Venturers' Mt Thirsty Cobalt-Nickel-Manganese Oxide Deposit (Figure 2). Hole MTDD008 was collared at 372357E and 6447256N (AGD84 Zone 51) and was orientated at 75 degrees to the west.

A number of zones of sulphide mineralisation were intersected down the hole, however the more attractive were intersected from 280m and 351m. These two zones assayed 0.30% and 0.24% nickel respectively over 9.4m and 6m down hole, which are believed to be close to true widths. Included within the lower zone is thin stringer mineralisation which assayed 0.90% nickel over 0.14m from 356.56m to 356.70m.

The most exciting discovery from the hole was a small 6cm thick stringer of massive nickel sulphide caught up in a much younger Proterozoic aged mafic dyke. Narrow Proterozoic dykes are common in the Norseman-Kambalda area but don't contain nickel sulphide mineralisation.

Clearly, the nickel sulphide fragment within the dyke is from a different source. Coincidentally, the cobalt grade of the nickel sulphide fragment is also close to the overall cobalt grade of the oxide deposit at the surface. It has been the long held belief of the Joint Venture that the high grade Cobalt-Nickel-Manganese Oxide Deposit may have formed from a primary nickel-cobalt sulphide source nearby. It is possible that extensive massive nickel-cobalt sulphides deposited on the basal footwall contact beneath Mt Thirsty are indeed that source.

It is thought the dyke has thrust its way up from great depths beneath the earth's crust through massive nickel sulphides on the basal footwall contact, dragging up fragments of nickel ore on its way to the surface (Figure 3). Of particular interest is that this rock fragment contains unusually high values of cobalt (0.15%) and copper (0.60%), very different from the low grades of cobalt and copper returned from the massive stringer sulphide zones elsewhere in the hole.

Although economic nickel sulphide mineralisation has not yet been intersected, the Joint Venturers' are very encouraged by the results to date from the drilling of MTDD008. In particular:

- ❖ nickel sulphides and low grade nickel mineralisation have been identified throughout the sequence with the better zones intersected to date occurring in hanging wall positions, with potentially the most prospective basal contact zone remaining untested;
- ❖ discovery of a very thick (+770m thick) ultramafic unit which is most likely the basal

unit sitting on the footwall contact. Thick basal ultramafic units are important ingredients in many of the major nickel sulphide deposits in WA; and

- ❖ nickel sulphides in a Proterozoic-age dyke which may have been remobilised from a mineralised basal footwall contact at depth.

A second drill hole (MTDD009) was collared further up dip and to the north to test the basal footwall contact at shallower depth and also determine its dip and hence the viability of deepening hole MTDD008. Unfortunately, very difficult ground conditions forced the abandonment of this hole prior to reaching the footwall contact. A new hole has been designed on the same section as MTDD008 closer to the footwall contact to replace hole MTDD009. This new hole will commence in the coming weeks (Figure 2).

Potential exists for any mineralised basal footwall contact zone to extend up dip from the area of MTDD008 to much shallower depths over a prospective surface strike length of 1.8km within the Joint Venture tenement. The approximate position of this contact zone at surface has been identified from regional geological and geophysical data, and this contact will be an important focus for the Joint Venturers' nickel sulphide exploration activity over the coming months.

Woodcutters Prospect

During the quarter, a 376m diamond drill hole (WCDD001) was completed at the Woodcutters prospect. This hole was drilled to target a combined electromagnetic anomaly (EM) conductor and a surface nickel sulphide gossan. WCDD001 was collared at 6451100mN; 367520mE.

The footwall contact was encountered at 359m with no apparent nickel-sulphide mineralisation at the base of the serpentinised olivine cumulate. A 3m thick graphitic black shale containing minor bands of pyrrhotite and pyrite was found on the footwall.

A follow-up downhole EM survey showed the black shale to be the primary conductor detected by the fixed loop surface EM survey however the survey did reveal a much stronger off-hole conductor approximately 100m north of WCDD001. This is encouraging because 50m north of WCDD001 is a historical costean which has exposed the footwall contact containing 2-3m of black shale plus 2-3m of nickel sulphide gossan material adjacent to the black shale. It is possible that the stronger off-hole conductor could be a combination of shale and nickel sulphides.

A follow-up hole (WCDD002) to test this strong conductor is currently being drilled. Several gossanous rock-chip samples representing possible massive to disseminated nickel sulphide mineralisation associated with a basalt-ultramafic contact have been identified at Woodcutters prospect.

Figure 2: Mt Thirsty Planned Drill Hole Locations and Hole MTDD008

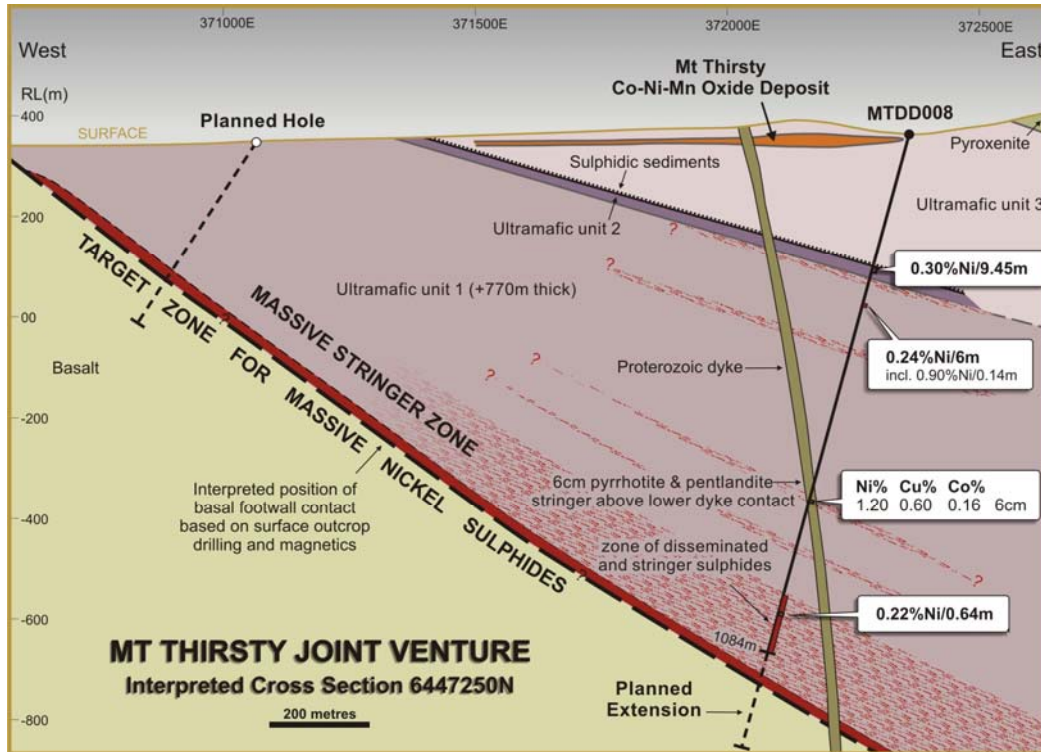
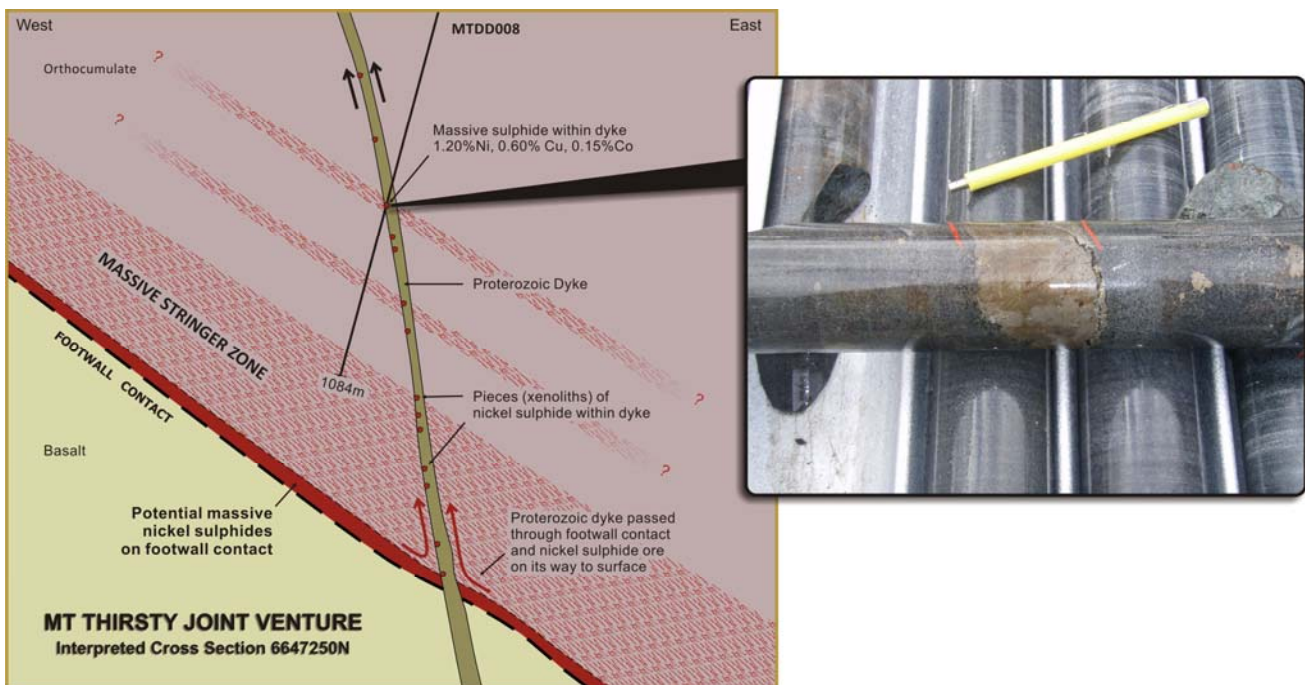


Figure 3: Mt Thirsty Zoom-in of Hole MTDD008



2. BURBANKS (100% Barra).

The Burbanks Project is located 9km southeast of Coolgardie and consists of granted tenements totalling 13km² and covering over 5km of strike extent of the Burbanks shear. The Burbanks Mining Centre has produced in **excess of 400,000 ounces** from predominantly above 150m vertical depth from both historical underground mine workings, modern open pits and previous Barra underground production.

During the quarter Mulgabbie focused its efforts on the higher grade components of Burbanks' Tailor Shoot, and Jesson Reef, utilising airleg hand held development and stoping methods (Figure 3). These techniques limit dilution and maximise grade, significantly reducing mining costs. Over 2,000 tonnes of 5-7g/t material was brought to the surface during the quarter with an additional 1,500 tonnes of 8-10g/t ore ready to be mined.

Advanced underground development is in readiness for resource expansion and testing of new gold targets at depth and along strike. Also at Burbanks, with recent significant rises in the gold price the Company believes Burbanks can still add significant short to medium term value through well

executed surface drilling programs targeting potential open pit resources along strike.

Previous soil sampling and airborne magnetic data has highlighted the potential for several repeat structures which have the potential to host Burbanks look-alike mineralisation along strike to the north and south of the existing mining operations. This will be a focus of the Company's drilling during 2009/2010.

Mining will continue through next quarter with modest cash flows expected. Cash from the operation will be directed toward priority surface exploration targets within the Burbanks lease and at Phillips Find.

Burbanks has a current JORC Indicated Resource of 250,000 tonnes at 3.43g/t gold for 27,570 ounces and Inferred Resource of 141,000 tonnes at 2.92g/t gold for 13,240 ounces at a 1.0g/t lower gold grade cut-off.

Mulgabbie will concentrate its initial mining efforts within the 3g/t cut-off resource which comprises 108,000t @ 5.23g/t in the Indicated category and 51,000t @ 4.34g/t in the Inferred category (Table 1). Mulgabbie is aiming to produce between 5,000 to 7,000 ounces in the next 12-18 months.

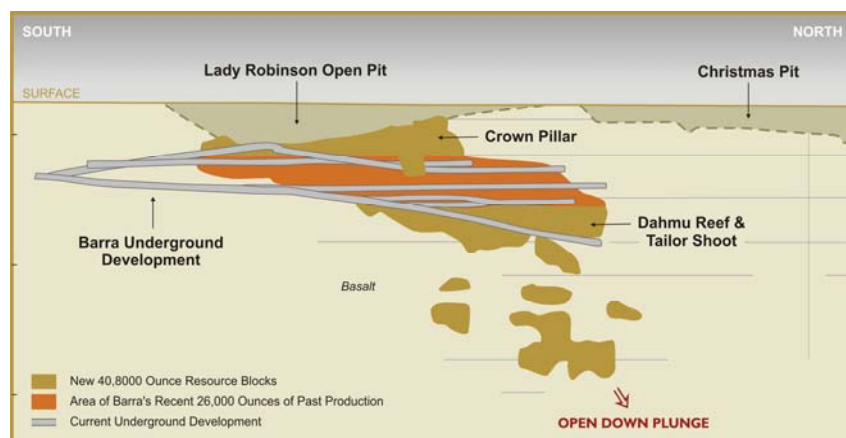
Table 1: Burbanks Gold Resource at Various Gold Grade Cut-offs

Gold Cut-Off	Indicated Resource Category		Inferred Resource Category		Total Resource		
	Tonnage	Ave/G	Tonnage	Ave/G	Tonnage	Ave/G	Ounces
1.0g/t	250,000	3.43	141,000	2.92	391,000	3.24	40,800
1.5g/t	224,000	3.68	126,000	3.12	349,000	3.48	39,100
2.0g/t	184,000	4.10	105,000	3.39	289,000	3.84	35,700
2.5g/t	143,000	4.63	77,000	3.81	219,000	4.34	30,600
3.0g/t	108,000	5.23	51,000	4.34	159,000	4.95	25,400
4.0g/t	66,000	6.38	22,000	5.53	88,000	6.17	17,500
5.0g/t	43,000	7.43	11,000	6.80	53,000	7.31	12,500

Note: Table above show rounded tonnages. This may cause some apparent computational discrepancies.

¹ The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Resources Committee, The Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia as at 9 March 2005.

Figure 3: Burbanks Long Section Showing Resource Location



3. PHILLIPS FIND PROJECT (100% Barra)

The Phillips Find Project is located some 50km north of Coolgardie. The tenement package contains the Phillips Find Mining Centre where 40,000 ounces of gold has been mined. The Newminster Prospect, within the Phillips Find Mining Centre, has a current JORC Indicated Resource of 84,111 tonnes at 4.62 for 12,500 ounces and Inferred Resource of 32,265 tonnes at 2.50g/t for 2,600 ounces at a 0.8g/t lower gold grade cut-off.

Bob Hope/Diablo

In the previous quarter, a 71 RAB drilling program for 2,563m (PFRB35 to 105) was completed at Bob Hope and Diablo prospects (see Figure 4). Holes were designed to test a highly responsive auger geochemical anomaly over a strike length of about 2.5km between historical workings at Bob Hope and encouraging mineralisation intersected in historic RC and diamond drilling at Diablo.

One hole, PFRB051 intersected **24m grading 3.6g/t gold** from 44m to 68m including **14m grading 5.75g/t gold** from 44m to 58m, and **7m grading 10.84g/t gold** from 44m to 51m (see Figure 5).

During and subsequent to the end of the quarter, a first phase fourteen hole RC drilling program for 1,640m (PFR001-014) was completed to initially test the extent of the shallow high-grade gold mineralisation in the oxide zone to the north, south and down-dip of PFRB051 to assess the potential of both oxide and primary gold mineralisation at the Diablo prospect area. Results are pending.

Infill RAB drilling is also planned to follow-up anomalous gold mineralisation intersected along strike between Diablo and Bob Hope where the first pass RAB drill spacing varied from 40x80m to 80x160m apart.

The location of the high-grade mineralisation at Diablo occurs about 1.2km southeast and along strike from historical workings at the Bob Hope Prospect (also known as Elizabeth or The Maude) where Department of Mines and Petroleum records indicate approximately 15 tonnes of ore was mined at a grade of 34.27g/t gold during 1911.

The Diablo mineralisation is associated with the same structure and geological unit as at Bob Hope.

Figure 4: Phillips Find Drill Hole and Prospect Location

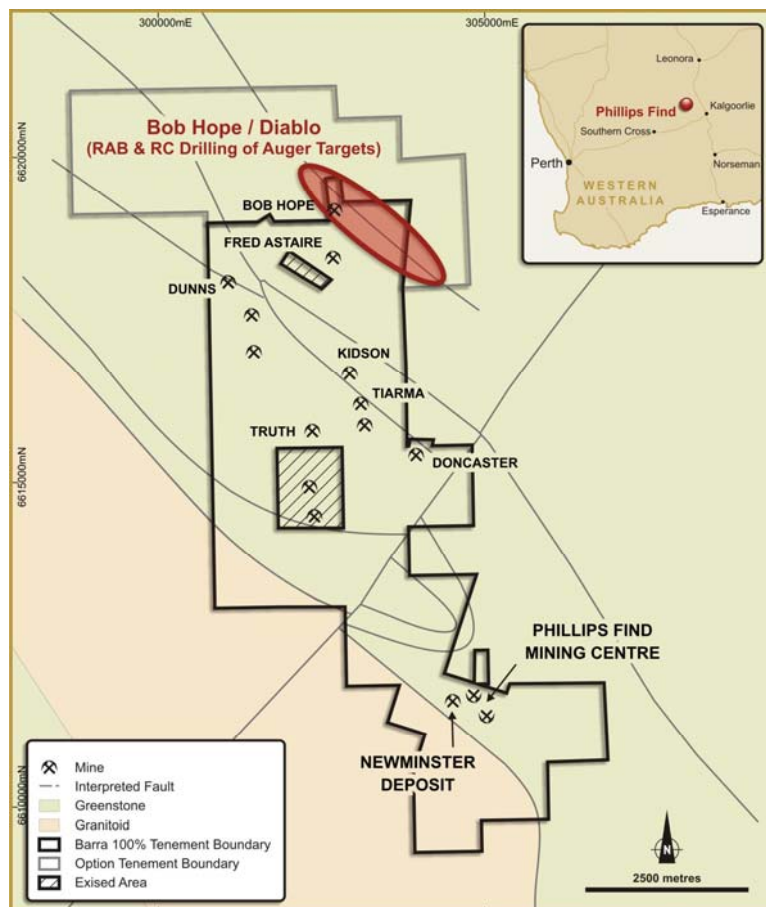
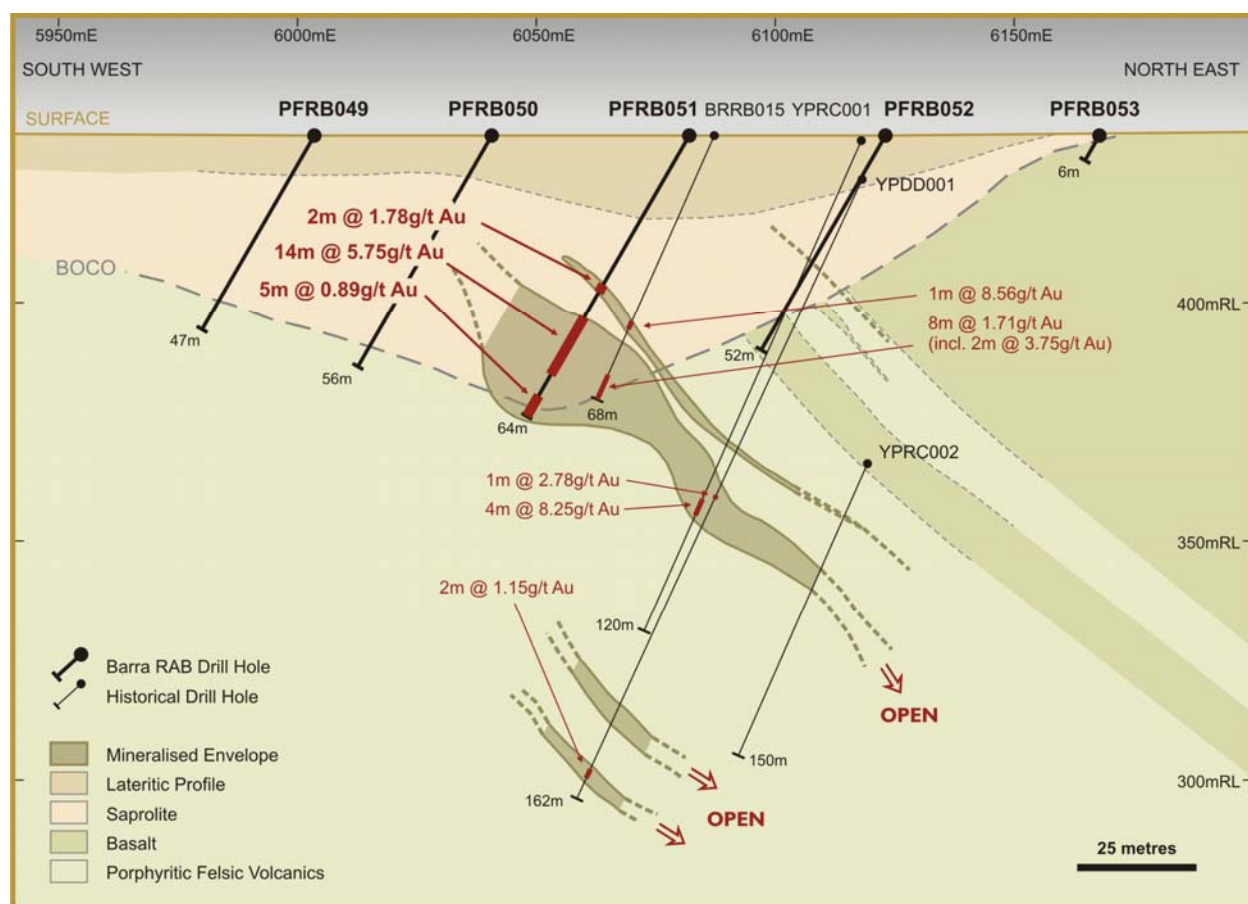


Figure 5: Phillips Find Diablo Schematic Cross Section



Newminster Gold Deposit

The Newminster gold deposit which hosts a JORC Indicated Resource of 84,111 tonnes at 4.62g/t for 12,500 ounces of gold and an Inferred Resource of 32,265 tonnes at 2.50g/t for 2,600 ounces of gold has also been a prime focus for the Company. Recently an optimisation study was carried out on this resource.

Newminster is located adjacent to the Bacchus Gift and Newhaven open pits within the historical Phillips Find Mining Centre which produced some 50,000 ounces of gold from historical underground and open pit mining operations over the past 100 years.

The findings were made independently through a recent study by Minecomp Pty Ltd ("Minecomp") on the Newminster deposit. Minecomp found that an economically robust open pit could be mined to a vertical depth of 45 metres.

When evaluated using current mining and milling costs, Newminster's "base case" optimum comprised:

- ❖ An open pit shell containing 5,300 ounces of gold down to 45m depth.
- ❖ At a gold price of A\$1,150, the "base case" pit shell contains 31,736 tonnes of ore in the Indicated Resource category at 3.48g/t and 18,271 tonnes of ore in the Inferred Resource category at 2.97g/t.
- ❖ This delivers a combined total of 50,007 tonnes of ore at a diluted grade of 3.29g/t.
- ❖ Operating cash costs are estimated at A\$669 per ounce.
- ❖ This would generate an operating profit of approximately \$2.3 million and a return of some 42%.

The resource is situated on a granted mining lease and was permitted for production back in 2003.

4. RIVERINA NICKEL PROJECT (30% Barra, 70% Riverina Resources Pty Ltd - Managers)

The Riverina Project is located 125km north of Coolgardie on granted tenements that cover an area of approximately 120km².

Joint Venture partner and manager RRPL earned 70% equity in the project in June 2006 and in August 2007 the Joint Venture sold the project tenements and gold rights to Monarch Gold Mining Company Limited ("Monarch"). RRPL (70%) and Barra (30%) retain the nickel rights to the Riverina Project.

Between 2005 and 2008 the Joint Venture actively explored the Martins Zone ultramafic unit for economic concentrations of nickel laterite and nickel sulphide mineralisation and successfully defined a JORC compliant nickel laterite resource in the northern area of the Martins Zone.

Exploration has also demonstrated that the Martins Zone ultramafic unit is prospective for nickel sulphide mineralization, with drilling in the southern area of the Martins Zone returning narrow widths of high-grade remobilised massive nickel sulphide adjacent to an undeformed ultramafic footwall contact, including 2.00m grading 2.80% nickel from 15m grading 10.90% nickel from 25m.

RRPL is continuing their comprehensive review of all historic nickel exploration data to identify additional quality exploration targets for testing.

5. KAMBALDA WEST JV (Barra earning 70% of gold rights)

During the quarter the Company notified Breakaway Resources Limited that it would not contest the termination of the Joint Venture Agreement between the parties relating to gold rights over the West Kambalda Project.

CORPORATE

During the quarter the Company raised \$3.5 million in working capital to fund its nickel and gold exploration initiatives as well as progressing the pre-feasibility work at Mt Thirsty.

The placement was undertaken with the assistance of Patersons Securities Limited by the way of issue of 28 million shares at an issue price of 12.5 cents per share. The shares were placed to a select group of financial institutions and sophisticated investors.

Announcements

Date	Announcement
01/07/2009	Mt Thirsty Nickel Sulphide Drilling Update
27/07/2009	Mt Thirsty Nickel Sulphide Drilling Update
30/07/2009	Quarterly Cashflow Report
30/07/2009	Quarterly Activities Report
13/08/2009	Assay Results Confirm Nickel Sulphides At Mt Thirsty
14/08/2009	Barra Intersects Shallow High-Grade Gold at Phillips Find
25/08/2009	Exploration and Operations Update
26/08/2009	Trading Halt
31/08/2009	Capital Raising
31/08/2009	Reinstatement to Official Quotation
31/08/2009	Suspension from Official Quotation
01/09/2009	Appendix 3B
03/09/2009	Secondary Trading Notice
10/09/2009	Nickel Sulphide Diamond Drilling to Resume at Mt Thirsty
17/09/2009	Change in substantial holding
21/09/2009	Drilling Commences at Phillips Find
24/09/2009	Issue of Shares
24/09/2009	Annual Report to shareholders

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

INVESTOR INFORMATION

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Capital Structure

309,727,078 listed ordinary shares
25,625,000 listed options
4,500,000 unlisted options (various)

Company Directors

Gary Berrell - Non-Executive Chairman
Dean Goodwin - Managing Director
Grant Mooney - Non-Executive Director and Company Secretary

ASX Codes

Shares: BAR
Options: BARO



DEAN GOODWIN
Managing Director

Abbreviations t=tonnes, mm=millimetre, m=metres, km=kilometres, ozs=ounces, %=percent, g/t=grams per tonne, Au = gold, Ni=nickel, Co=cobalt, Mn=manganese, @=at, ppm=parts per million, ppb=parts per billion, RC=Reverse Circulation, RAB=Rotary Air Blast, RL=Reduced Level

The information in this report which relates to the Mt Thirsty and Burbanks Mineral Resources is based on information compiled by Alan Miller, a full time employee of Golder Associates Pty Ltd and who is a member of the Australasian Institute of Mining and Metallurgy. Alan Miller has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the January 2005 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Resources Committee, the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Council of Australia." Alan Miller consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dean Goodwin who is a Member of the Australian Institute of Geoscientists. Dean Goodwin is a full-time employee of the Company. Dean Goodwin 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 January 2005 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dean Goodwin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.