



9 April 2009

Dear Shareholder,

I am pleased to provide you with a summary of Barra's project portfolio and the proposed exploration work programs for 2009, showing how we intend to apply funds raised from the forthcoming Share Purchase Plan ("SPP").

It is worth noting from the outset that Barra's portfolio of base metal and gold projects continue to gain market attention, even during times when world commodity prices have fallen considerably from recent highs.

Barra intends to continue to progress the world class Mt Thirsty cobalt-nickel-manganese project into feasibility studies while stepping up gold exploration at its Burbanks and Philips Find gold projects at a time when many market analysts forecast gold to be the leading commodity for 2009. Barra's gold projects have the potential to unlock value for Barra shareholders.

Funds raised from the Company's recently announced share placement and SPP will be applied towards exploration and pre-feasibility studies at the Company's 50% owned Mt Thirsty cobalt-nickel-manganese project, exploration of the Company's gold projects and ongoing working capital.

MT THIRSTY COBALT-NICKEL –MANGANESE PROJECT – WA (Barra 50%)

The Mt Thirsty cobalt-nickel-manganese project located 20km northwest of Norseman in Western Australia is an important medium to long term project for the company having the potential to emerge as the world's fourth largest cobalt supplier, according to the results from a key ongoing metallurgical and engineering pre-feasibility study.

The findings are from an independent study by Simulus, a metallurgical and engineering consultancy firm, as part of ongoing pre-feasibility work into the Mt Thirsty cobalt-nickel-manganese deposit.

The metallurgical and engineering study found that Mt Thirsty has the potential to support production of 3,700 tonnes of cobalt per year in its first three years at a throughput of 2 million tonnes per annum.

High cobalt throughput can be easily achieved early in the production schedule due to the majority of high grade ore sitting close to the surface, within 8-19m. The Joint Venture partners say this front-loads production, increases Net Present Value and significantly shortens capital payback.

Potential net cashflows after capital payback but excluding capital depreciation, project loan interest, royalties and income tax for the life of the project is **estimated at A\$1.65 billion**.

Further shareholder value can be extracted from Mt Thirsty in the short term by increasing the current resource base and completing pilot testing on both the high grade and run-of-mine ore samples. This testing program will aim to demonstrate that the process works and in turn convince the market we have a truly viable project.



BURBANKS UNDERGROUND GOLD MINE – WA (Barra 100%)

Over recent years, Barra has focussed on the underground mining potential of Burbanks. While current mining operations have been suspended until such time that a more cost effective mine plan is constructed, there exists the opportunity to identify similar mineralisation along strike where there has been limited historical drilling.

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 Barra's drilling during 2009.

Also, 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. Further value could also be realised from the existing underground development if the mining scoping study indicates significant profitable ounces can be extracted.

Recently the Company focussed on the potential exploitation of current underground reserves close to existing developed infrastructure. The recent increase in the gold price initiated the study.

Burbanks currently has an Indicated and Inferred resource of 391,300t @ 3.24g/t gold at a 1.0g/t cut-off for 40,800 ounces. At a 3.0g/t cut-off, the resource stands at 159,400t @ 4.95g/t gold for 25,400 ounces. The review has indicated that approximately 12,000-15,000 ounces of the total 25,400 ounces is close to existing mine workings and may well be profitable if smaller-scale mining is undertaken.

Engineering studies on the potential mining and profitability of these resources is almost complete with an outcome expected in the coming months. The Company is also reviewing lower risk tribute mining and revenue splitting opportunities with third parties.

Phillips Find Gold Project

Recently the Company completed a 1,125 sample auger soil sampling program over the Carbine Option tenements located adjacent to the Phillips Find Project 50km north of Coolgardie. The Carbine tenements contain deeply weathered rocks with limited outcrop. The auger program was carried out in an effort to identify potential gold targets beneath the deep regolith.

Results identified several encouraging gold-arsenic anomalies within the tenement package. Of particular interest is a northwest trending anomaly several hundred metres long. Signs of significant shearing and fluid activity, indicated by abundant quartz veining at the surface, show the potential for a significant gold resource.

An intensive program of mapping together with an aeromagnetic survey over the Carbine tenements is planned to validate these findings. It is anticipated that further field work, including RAB drill testing, will be carried out over the next 3-6 months.



At Newminster, the compilation of structural data from diamond holes PFDD1 to PFDD3 drilled earlier in 2008 is complete. The work indentified several orientations of gold mineralisation. The presence of multiple structures is extremely exciting pointing toward a potentially much larger gold resource than previously thought. Best results from this drilling included 8.00m @ 4.04g/t gold from 28.03m including 3.25m @ 7.26 g/t gold and 5.15m @ 4.87g/t gold from 36.50m including 2.00m @ 10.46 g/t gold in PFDD1.

A scoping study on the 15,000 ounce Newminster deposit is currently underway to determine if the resource is potentially profitable at current mining costs and gold price.

Further drilling along strike from the Newminster deposit will also be carried out to test geological concepts gleaned from the diamond core study. Structures observed in the diamond core are similar to those seen at Kambalda's Victory-Defiance system which contains over 2 million ounces of gold. If successful the drilling programs have the potential to open up the entire Phillips Find Mining centre and add significant ounces to the company's resource inventory.

In summary, the high quality of Barra's projects will make for an exciting 2009 for Barra shareholders, with a feasibility study soon to commence at Mt Thirsty and drilling of high quality targets at Burbanks and Phillips Find.

On behalf of the Board of Barra, I look forward to reporting to you our exploration results over our project portfolio throughout 2009.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Goodwin', is written over a light blue horizontal line.

DEAN GOODWIN
Managing Director

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 2004 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.