



ENCOURAGING FIRST PHASE DRILLING AT DIABLO GOLD PROSPECT

Barra Resources Limited (ASX Code: BAR) wishes to advise that it has completed first pass reverse circulation (RC) drilling at its Diablo prospect within its Phillips Find Gold Project, located 50 kilometres north-northwest of Coolgardie, Western Australia.

Reverse circulation (RC) drillhole PFR014 intersected:

**6.0 metres grading 6.49 grams per tonnes gold from 76.0 metres depth
(including 2.0 metres grading 18.98 grams per tonne gold)**

The RC drilling is the Company's first phase follow-up drilling program designed to test an outstanding Rotary Air-Blast (RAB) intersection at its Diablo prospect (see ASX Announcement released 14 August 2009), where RAB drillhole PFR051 intersected **14 metres grading 5.75 grams per tonnes gold from 44 metres depth (including 7.0 metres grading 10.84 grams per tonne gold)** (Figure 1).

Fourteen RC drill holes were completed for a total of 1,765 metres and designed to test the extent of the shallow high-grade gold mineralisation to the north, south and down-dip of PFR051 over an initial strike length of 200 metres and a vertical depth of 150 metres respectively. All significant¹ intersections are listed in Table 1.

Initial interpretation of the mineralisation at Diablo suggested a moderate east dipping lode parallel to a porphyritic acid volcanic/mafic hanging-wall contact zone. RC Drilling however shows that this may not be the case. Interpretation of the drilling results suggests drilling may have occurred down the structure. In essence the holes were drilled in the incorrect orientation. In this respect, the gold mineralisation could potentially be associated with a series of west dipping and sub vertical quartz veins (Figures 2 and 3).

With this in mind the Company is planning to drill two oriented diamond holes beneath the high-grade mineralisation to obtain structural information on the vein orientation and ore geometry before continuing with further RAB and RC drilling.

The company remains extremely positive that the Diablo prospect could still host a significant shallow oxide resource and will continue to aggressively explore the immediate prospect area in addition to prospective areas to the north at Bob Hope and south at Tiarna, where gold mineralisation is associated with the same geological rock units.

¹ Intersections grading greater than or equal to 1 gram per tonne gold only are tabled.

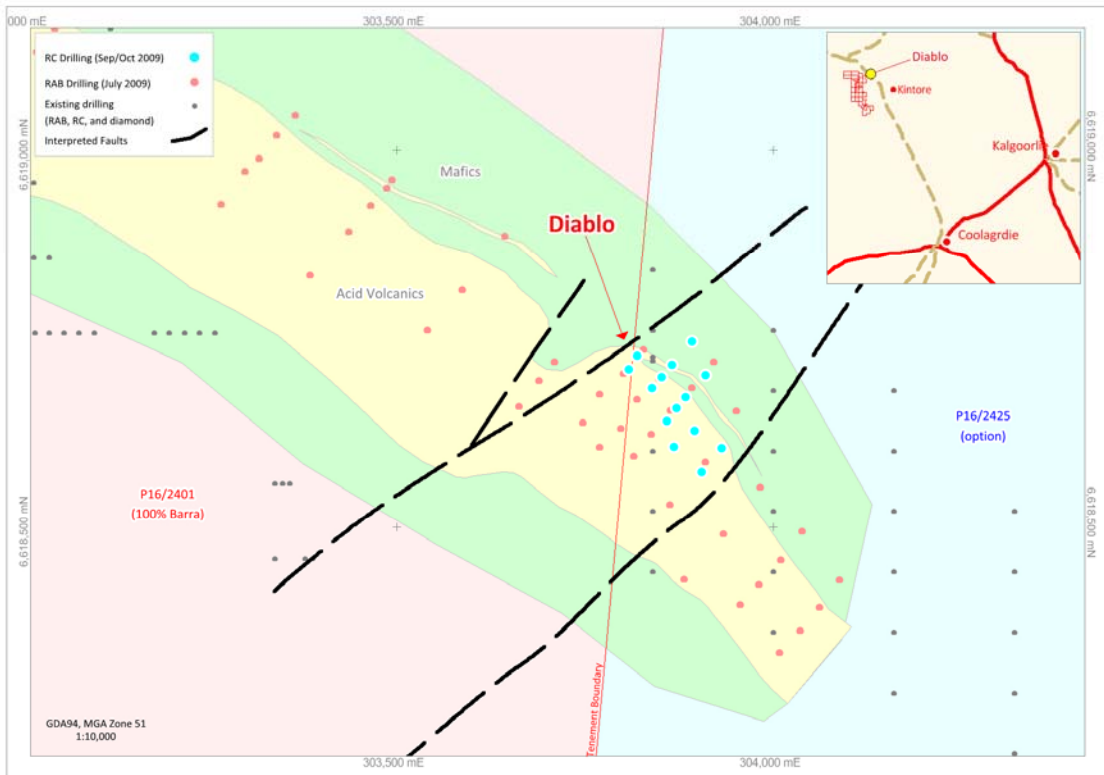


Figure 1: Location of RC drilling at Diablo

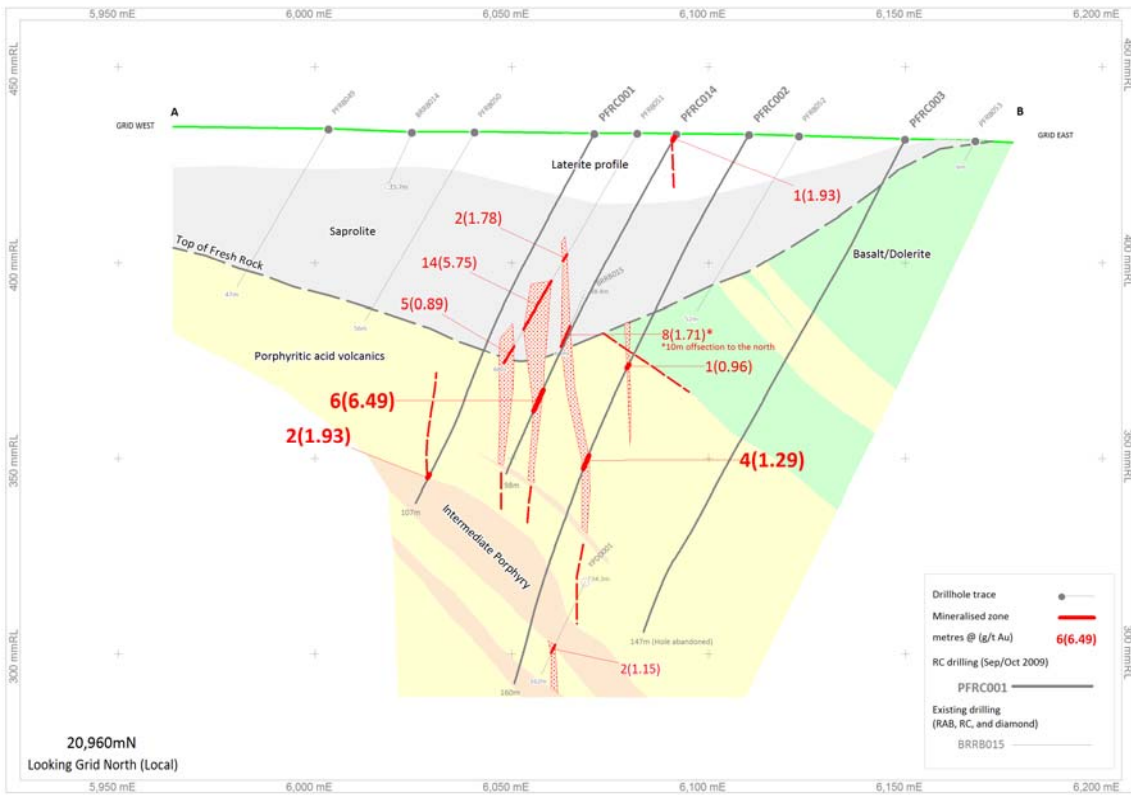


Figure 2: Schematic cross-section through Diablo showing RC drilling in relation to RAB drill hole PFRB051 and interpreted steep, west dipping mineralised veins

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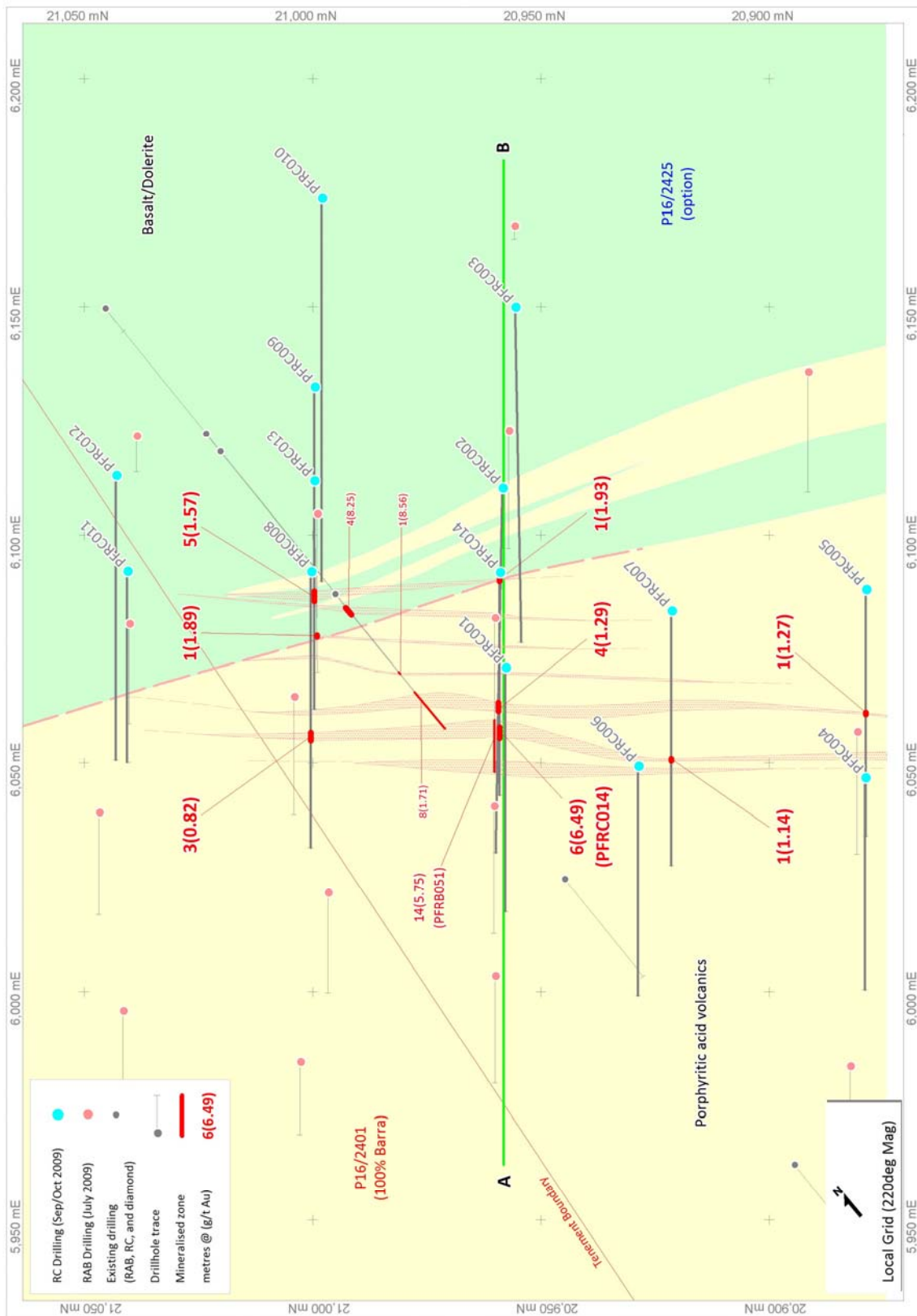


Figure 3: Drillhole location plan showing position of RC drilling and interpretation of geology and mineralisation

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HoleID	From (m)	To (m)	Width (m)	Grade (g/t Au)	Comments
PFRC001	99	101	2	1.93	including 1m @ 3.56g/t Au (99-100m)
PFRC002	94	98	4	1.29	Including 1m @ 3.68g/t Au (96-97m)
PFRC005	56	57	1	1.27	
PFRC007	72	73	1	1.14	
PFRC008	72	75	3	0.82	including 1m @ 1g/t Au (72-73) & 1m @ 1.05g/t Au (74-75m)
PFRC009	89	94	5	1.57	including 1m @ 2.75g/t Au (89-90m) & 1m @ 4.87g/t Au (93-94m)
PFRC010	128	129	1	2.90	
PRFC013	66	67	1	1.89	
PFRC014	1	2	1	1.93	
	76	82	6	6.49	including 2m @ 18.98g/t Au (76-78m) & 1m @ 34.91g/t Au (77-78m)

Table 1: Summary of significant RC intersections at Diablo.



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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.