



NEW GOLD STRATEGY SETS PATH TO BUILD BURBANKS RESOURCE INVENTORY

ASX ANNOUNCEMENT

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DIRECTORS

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ORDINARY SHARES

473,747,883

OPTIONS

50,000,000

PROJECTS

Mt Thirsty Co-Ni Project
(50%)

Coolgardie Au Projects
(100%)

- Strategic review identifies initial Exploration Target for the Burbanks Gold Project.
- New Gold Strategy selects a systematic exploration approach to build the resource inventory at Burbanks to a critical mass ahead of mining endeavours.
- Re-acquisition of Birthday Gift Gold Mine consolidates the ownership of Burbanks Gold Project and adds 95,400 ounces of Mineral Resourcesⁱⁱ to gold portfolio.
- Three key exploration target areas (excluding Birthday Gift) now prioritised at Main Lode, Burbanks North and Kangaroo Hills.
- Systematic drilling set to commence Q2 2018.

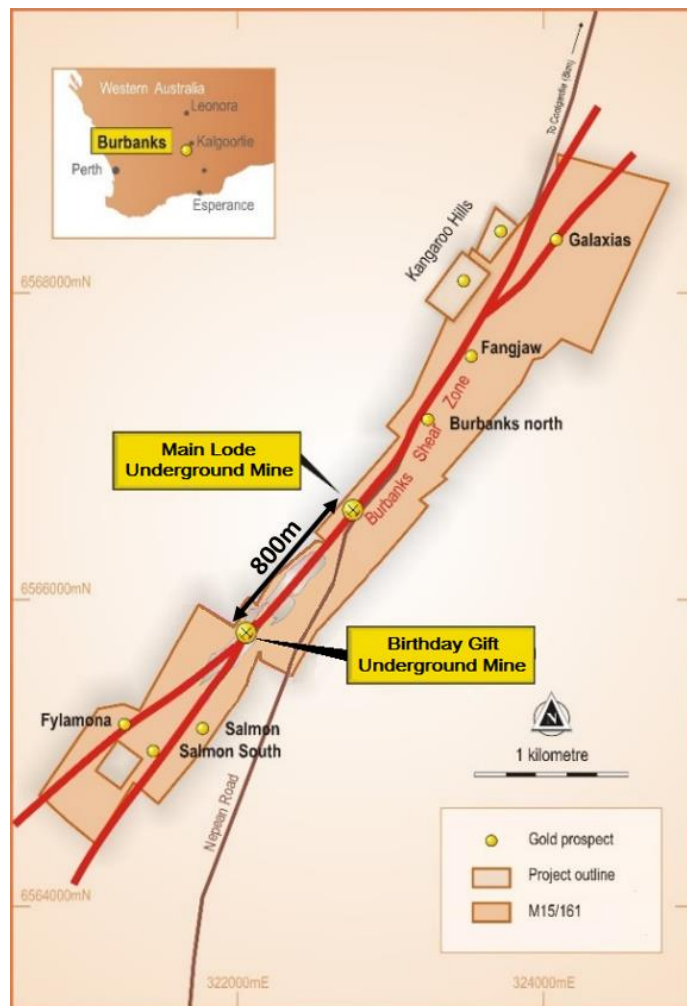


Figure 1: Burbanks Project Location Plan.

Introduction

Barra Resources Limited ('Barra' or 'the Company') is pleased to update the market regarding the outcome of a strategic review of its gold assets resulting in an updated gold exploration strategy (Gold Strategy) for its wholly owned Burbanks Gold Project, located 9km southeast of Coolgardie, Western Australia (Figure 1).

The recent consolidation of ownership over the entire Burbanks Gold Project ('Burbanks' or 'the Project') following the re-acquisition of the Birthday Gift Gold Mine (Birthday Gift) was the first key step in the implementation of the Gold Strategy.

The Birthday Gift acquisition brings millions of dollars of underground development and infrastructure back into the Company's portfolio (Figure 2). Importantly, the Birthday Gift decline provides future access to in-situ resources and untapped depth potential at both Birthday Gift and Main Lode, two historically rich high-grade mines separated by just 600m of future decline extension.

With uninterrupted access to 5km of strike along the Burbanks Shear Zone, historically one of the richest gold producing structures in the Coolgardie Goldfield, Barra is now set to build the resource inventory at Burbanks by embarking on a clear, focused and systematic exploration program targeting a newly established Exploration Target for Burbanks.

Exploration Target

The Exploration Target for Burbanks is now identified as 223,000 to 564,000 ounces of gold, inclusive of the Birthday Gift Mineral Resource (Table 1). The potential quantity and grade of the Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource beyond Birthday Gift. It is uncertain if further exploration will result in an estimation of a Mineral Resource.

	Low Range			High Range		
	tonnes	Au g/t	Au Oz	tonnes	Au g/t	Au Oz
Main Lode to Burbanks North Exploration Target	185,000	8.0	47,600	2,170,000	5.0	348,800
Birthday Gift Exploration Target ⁱ	625,000	4.0	80,000	650,000	6.0	120,000
Birthday Gift Mineral Resource ⁱⁱ	514,700	5.8	95,400	514,700	5.8	95,400
Total			223,000			564,000

Table 1: Burbanks JORC 2012 Exploration Targets and Mineral Resource.

It is also important to note the Exploration Target stated does not include the outstanding greenfields targets at Barra's Phillips Find Gold Project that will be the subject of separate future announcements and drilling programs. Nor does it include any potential below an economic search window limited to within 500m of surface or targets to the south of Birthday Gift.

The Exploration Target is inclusive of the previously announced JORC 2012 compliant Mineral Resource Estimate of 95,400 ounces of gold at Birthday Gift (Table 2).

Mineral Resource for the Burbanks Gold Project – 30 th June 2016							
Area	Cut-Off	Indicated			Inferred		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Christmas Open Pit	1.0	5,700	6.2	1,100	4,000	7.8	1,050
Birthday Gift Underground Mine	2.5	180,000	6.0	34,750	325,000	5.6	58,500
Total Mineral Resource	1.0/2.5	185,700	6.0	35,850	329,000	5.6	59,550

Table 2: Birthday Gift Mine (Burbanks Deposit) Mineral Resource Inventory (as at 30 June 2016)ⁱⁱ.



Figure 2: Birthday Gift Portal and Underground Development represents millions of dollars of investment.

Gold Strategy

The Company's new Gold Strategy sets a pathway targeting over 500,000 ounces of gold before embarking on a new mine plan and ultimately restarting mining operations. The addition of a JORC 2012 compliant Mineral Resource Estimateⁱⁱ of 95,400 oz via the acquisition of Birthday Gift provides a solid foundation that will underpin resource growth at Burbanks via accelerated exploration activity.

The new Gold Strategy sees an intentional shift away from short term cash flow opportunities (in some cases necessitated), via right-to-mine or other tribute mining arrangements, as these created conflict in terms of priorities and effort and ultimately had the effect of impeding the Company's ability to focus on the long-term aim of discovery, delineation and establishment of resources to sustain a medium to long-term gold mining operation(s).

Recent History

The recent history of activity at Burbanks has perhaps been one of missed opportunities but importantly, also a demonstration of exploration success with excellent drill results consistently encountered throughout the same period. The recent Burbanks history includes:

1. 2006-2007: Mining method led to excessive dilution, gold price dropped, and cessation of mining.
2. 2007: During mining, excellent deep drilling results targeting Level 7 at Birthday Gift, the deepest level at 245m below surface level and 170m below current level of mining. Lack of capital meant results were not followed up, even to this day; mineralisation remains open in all directions. Results included (BAR:ASX Release dated 28/09/2007, 15/11/2007 and 21/12/2007):
 - **BBUD274: 4.00m @ 9.56g/t Au from 242m below surface level (bsl)**
 - **BBUD286: 1.51m @ 11.68g/t Au from 242m bsl**
 - **BBUD294: 7.00m @ 4.15g/t Au from 219m bsl,**
 - *including 2.10m @ 9.23g/t Au*
 - **BBUD294: 0.50m @ 32.71g/t Au from 235m bsl**
 - **BBUD280: 4.00m @ 6.53g/t Au from 235m bsl,**
 - *including 0.81m @ 21.67g/t Au*
 - **BBUD299B: 5.97m @ 39.75g/t Au from 236m bsl**
 - *including 0.50m @ 468.62g/t Au*
 - **BBUD303: 4.56m @ 6.35g/t Au from 243m bsl**
 - *including 1.22m @ 19.38g/t Au*
 - **BBUD308: 1.54m @ 23.54g/t Au from 235m bsl**
 - **BBUD309: 3.00m @ 4.85g/t Au from 250m bsl**
 - *including 0.60m @ 14.31g/t Au*
 - **BBUD310: 3.45m @ 16.50g/t Au from 235m bsl**
 - **BBUD312: 9.11m @ 5.20g/t Au from 238m bsl**
 - *including 0.94m @ 27.34g/t Au*
 - **BBUD313: 6.05m @ 27.06g/t Au from 231m bsl, and**
 - **BBUD329: 4.69m @ 462.10/t Au from 334m bsl**
 - *including 0.21m @ 10,300g/t Au*
3. 2009-2011: Tribute mining targeting small parcels of ore during years impacted by the global financial crisis (GFC) keeps office doors open but fails to provide sufficient cash for ongoing exploration drilling. Despite some excellent drill results along strike to the north of the Burbanks Mining Centre, drilling campaigns were intermittent.
4. 2011-2013: New tribute mining agreement reached, aimed at drilling, developing and mining to Level 7 at Birthday Gift and longer-term objective of accessing Main Lode via 600m of decline extension. No mining occurred due to depressed gold prices.

5. 2013-2016: Birthday Gift sold out of necessity for cash and royalty. Separation of mining rights meant segmented access and inability to explore the whole Burbanks Shear as one mineral system. Short-term cash opportunities still part of previous gold strategy.
6. 2017: Excellent RC drill results at Main Lode sparks change in thinking and reassessment of exploration strategy for Burbanks. Results included (BAR:ASX Release dated 14/03/2017):
 - *BBRC246: 11.0m @ 5.70g/t Au from 44m down hole depth (dhd)*
 - *BBRC231: 5.0m @ 9.62g/t Au from 33m dhd*
 - *BBRC233: 5.0m @ 8.65g/t Au from 37m dhd*
 - *BBRC244: 5.0m @ 3.70g/t Au from 44m dhd*
 - *BBRC251: 5.0m @ 3.29g/t Au from 82m dhd including 2.0m @ 6.77g/t Au*
 - *BBRC233: 4.0m @ 4.26g/t Au from 27m dhd*
 - *BBRC246: 3.0m @ 11.66g/t Au from 66m dhd, and*
 - *BBRC227: 3.0m @ 6.48g/t Au from 47m dhd*

Exploration Target Detail

The Company has now had the opportunity to step back and re-assess its gold assets which led to a comprehensive update to its Gold Strategy.

The Company engaged geologist Mr Allan Kneeshaw, a highly regarded independent consultant, to assist in a comprehensive geological assessment and strategic review of the Burbanks Project. The process involved the evaluation of historic and current exploration drilling and mining datasets including geological and resource modelling, aeromagnetic, new mapping, auger geochemistry, and recent mine production data.

The outcome of the review resulted in the identification, ranking and prioritisation of key target areas and the establishment of an Exploration Target for the Main Lode – Burbanks North Trend (Table 1, Figure 3). This then fed into the development of a long-term strategy to explore these key target areas with a clear focus on the discovery, delineation and delivery of resources to underpin the establishment of a medium- to long-term mining operation.

The Main Lode – Burbanks North Trend Exploration Target was estimated based on information gathered from previous mining activities where known or estimated average grades, typical dimensions, and average bulk densities of discovered and/or previously mined gold lodes at the Burbanks Mining Centre. Possible extensions to known lodes and repetitions based on conceptual models were also considered as well as comparison to nearby deposits within the same geological domain.

Historically mined lodes at Burbanks generally occur in two styles:

1. Narrow high-grade (+8g/t Au) lodes in steep, sub-vertical structures averaging 1.5 to 3m in width; and

2. Shallow plunging, thick shoots (4-6g/t Au) in linking structures averaging 5 to +10m in thickness.

A conservative estimation of the possible extensions to existing mineralisation in drilled areas, new lodes in untested areas, and potential repetitions of lodes at depth (within an economic search window to 500m below surface), using variable lode dimensions based on mining history, was used to develop the Main Lode – Burbanks North Trend Exploration Target.

The Main Lode – Burbanks North Trend Exploration Target is based on potential endowments from three of the highest priority target areas within the project (Table 3). The primary objective of the updated gold strategy is a focused and comprehensive plan to systematically and methodically test all priority target areas.

Project	Priority Target Area	Target Type	Method of Drilling
Burbanks	Main Lode	Underground	RC & Diamond Drilling
	Kangaroo Hills	Underground	RC & Diamond Drilling
	Burbanks North Trend	Underground	Aircore, RC & Diamond Drilling

Table 3: Priority target areas, target type and planned method of drilling.

Next Steps

Barra now intends to drill test of the all key target areas at Burbanks in a systematic manner commencing in Q2 2018. This will be conducted in parallel with the progression of the Mt Thirsty Cobalt-Nickel Pre-Feasibility Study in line with Barra’s dual commodity strategy.



Sean Gregory
Managing Director and CEO

LONG SECTION

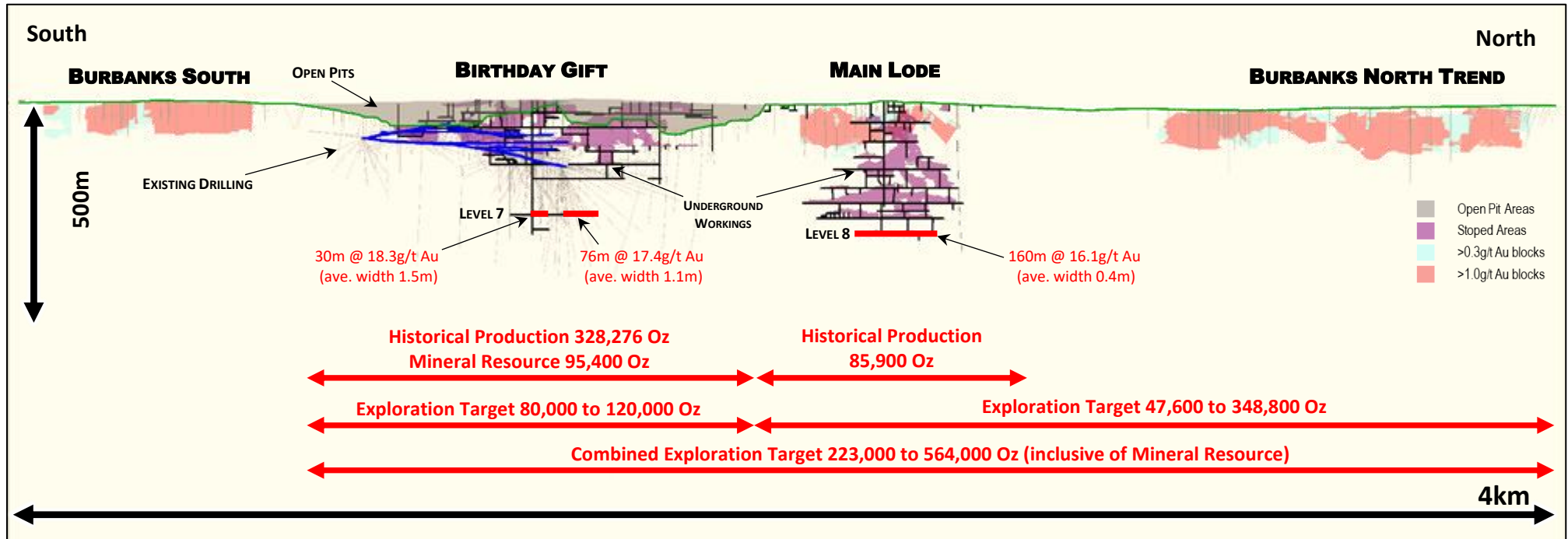


Figure 3: Burbanks Shear Zone long section showing key target areas and historic drive sampling.



Competent Persons Statement

The information in this report which relates to Exploration Targets and exploration results is based on information compiled by Mr. Gary Harvey who is a Member of the Australian Institute of Geoscientists (MAIG) and a full-time employee of the Company. 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”. 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 Exploration Targets is based on information compiled by Mr. Allan Kneeshaw who is an independent consultant and is a Fellow of the Australian Institute of Geoscientists (FAIG) and a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Kneeshaw 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”. Mr. Kneeshaw consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Disclaimer

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken based on interpretations or conclusions contained in this report will therefore carry an element of risk.

ⁱ The information in this release that relates to the Birthday Gift Exploration Target has been extracted from Kidman Resources Limited’s KDR:ASX Release dated 25/08/2015 “Initial 99,000oz Resource for Burbanks gold mine in WA”, available to view at www.kidmanresources.com.au. The Company is not aware of any new information or data that materially affects the information included in the previous reports and that all the previous assumptions and technical parameters underpinning the estimates in Kidman’s ASX Release dated 25/08/2015, have not materially changed.

ⁱⁱ For full details of the Birthday Gift Mineral Resource, refer to Kidman’s 2016 Annual Report