



BARRA RESOURCES LIMITED
ABN 76 093 396 859

2007



annual report

HIGHLIGHTS

- 1 Commencement of Burbanks decline development July 2006
- 2 97% conversion of 24 million 20 cent options August 2006
- 3 First gold pour Burbanks Gold Project August 2006
- 4 Signing of the Mt Thirsty Option Agreement December 2006
- 5 Fast tracked underground deep drilling platforms completed ahead of schedule February 2007
- 6 Dahmu Reef discovery
- 7 Riverina resource expansion gold and nickel laterite
- 8 Near trebling of the Mt Thirsty cobalt-nickel resource base August 2007
- 9 Sale of Riverina gold assets to Monarch Gold August 2007.

HIGHLIGHTS

2006/2007

**97% conversion
of 24 million
20 cent options**

2



3

Burbanks first gold pour



6

Dahmu Reef discovery

**Riverina resource
expansion gold
and nickel laterite**

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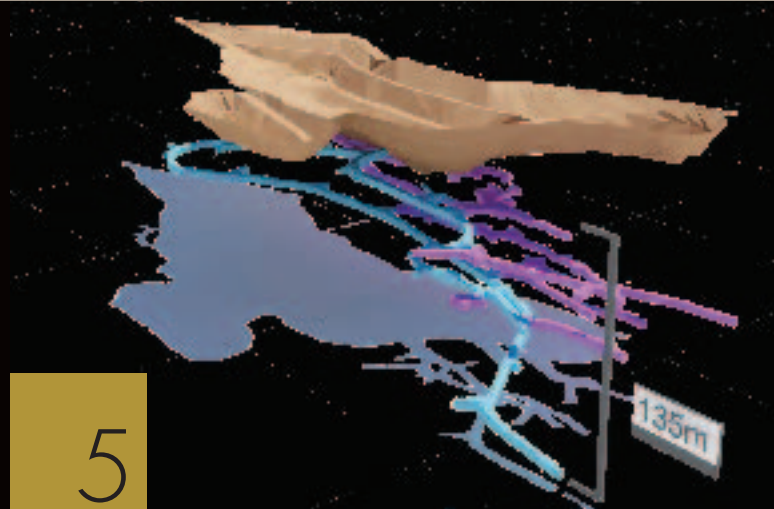


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Commencement of Burbanks decline development

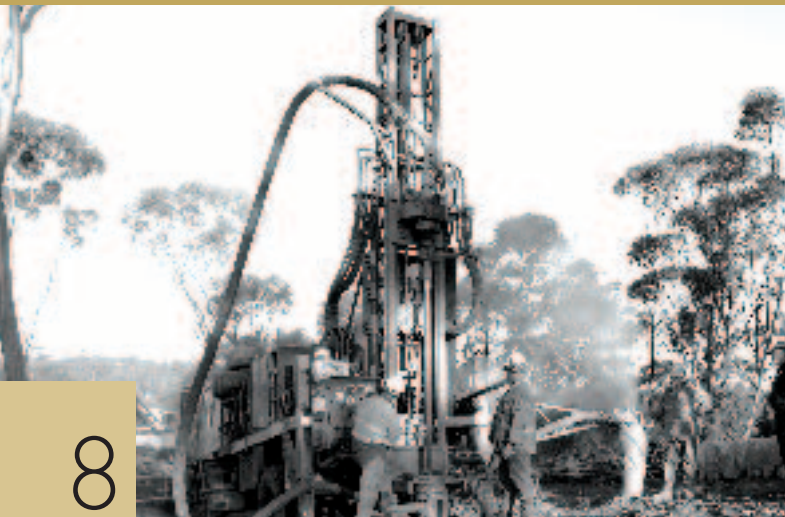
**Signing of the
Mt Thirsty Option
Agreement**

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**Fast tracked underground deep
drilling platforms**

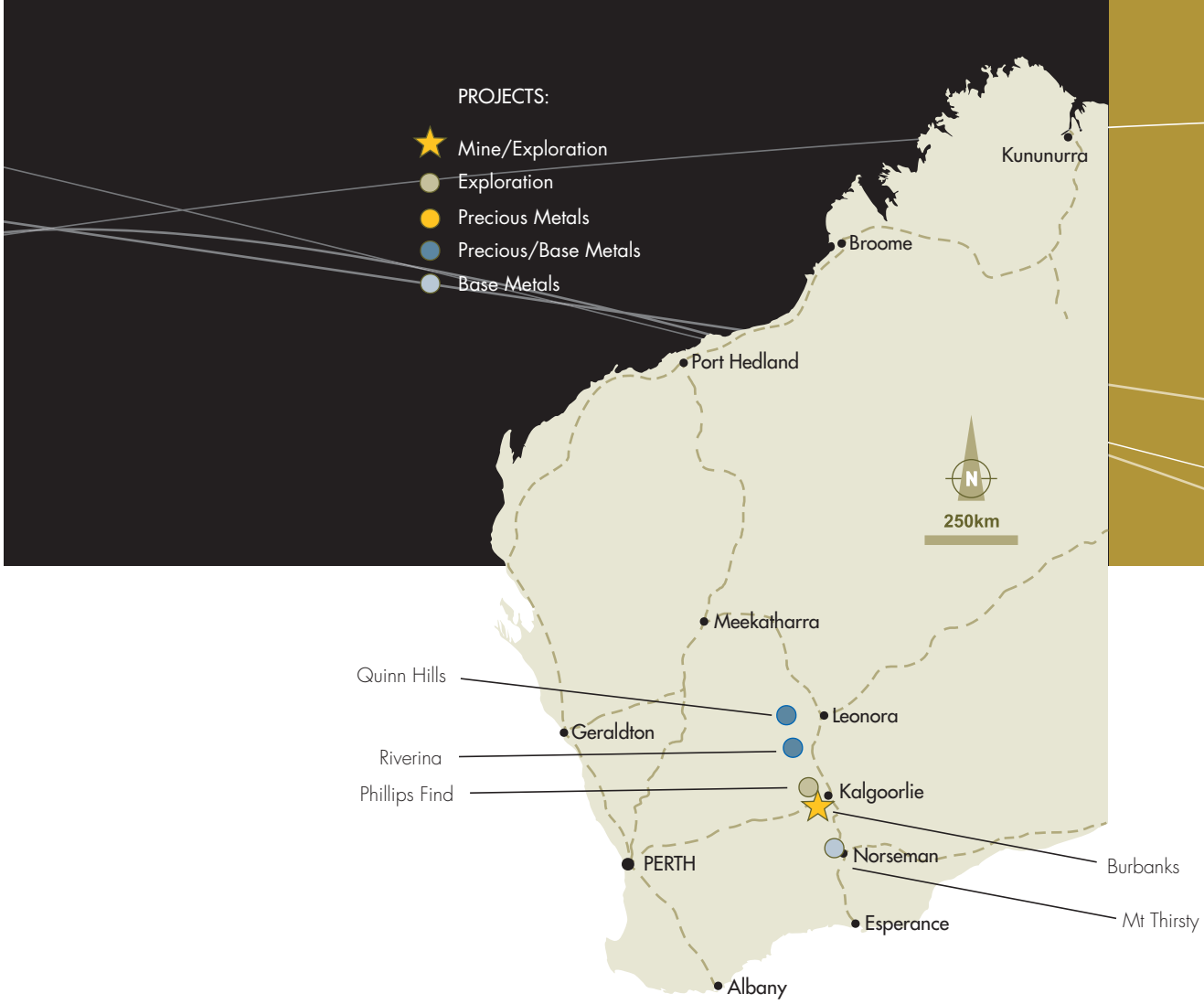


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**Trebling of Mt Thirsty
cobalt-nickel resource**

9

**Sale of Riverina
gold assets to
Monarch Gold**



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chairman's report

On behalf of the Board of Directors, I take pleasure in presenting for you the 2007 Annual Report. In what has been an extremely volatile year for all financial and resource markets we are extremely gratified to break through the AUD \$100 million market capitalisation for the first time. We believe the loyalty of our long standing shareholders is now being rewarded. In August 2006 the Company was pleased to announce to the market a 97 percent conversion of the 24 million 20 cent options due for expiry. This vote of confidence in the Company was greatly appreciated.



Shareholders would have seen the Company's focus diversify from a purely gold company into a wider portfolio. This is by no means resultant from a changed view in the future of the gold market but as a response to exploiting, enhancing and developing opportunities as they were identified. Our principal focus remains our Burbanks Gold Mining Operation.

The Company is continuing to search for prospective gold tenements to enhance our current portfolio. We continue to maintain a very bullish long term view on the gold price. High on our priorities for the coming year is to exploit what we confidently believe will be a potential open pit mining operation at Phillips Find.

The Mt Thirsty Project with partner Select Minerals Pty Ltd continues to generate considerable excitement. Your Company has provided geological expertise to enable a near trebling of the cobalt-nickel resource over the past year. The metallurgical testwork conducted by Murdoch University continues to improve the economic recovery rates, with confirmation expected from the next exciting stage of pilot plant testing. We are very satisfied with the long term shareholder wealth estimated to be generated by this Project, in which we will share equally with our partner Select Minerals Pty Ltd.

During the year the Company mutually agreed with our Riverina Joint Venture partner Riverina Resources Pty Ltd, a wholly owned subsidiary of Gandel Metals Pty Ltd, to re-structure the Riverina Project. The Company is very pleased with the progress and outcome of these negotiations and expects finalisation in the near term.

The Company sincerely acknowledges the support of our key shareholder and underground mining contractor Barmenco Limited throughout the course of the year. Barmenco Limited maintains an extremely talented and professional workforce and in times of tight market conditions, this has been of great value to the Company. We look forward to a continued working and equity relationship for many years to come.

It was with great sadness on July 25 2007, that the Company accepted the resignation of Bob Colville. Bob has been involved with Barra as either the CEO or a non-executive director since the Company first listed in December 2000. His contribution and counsel over the years to the Board has been outstanding. His passion for the Goldfields and his remarkable store of geological knowledge will be sorely missed and we wish Bob well for his future.

The Company strategy for the next financial year is to continue aggressive drilling programs at both Burbanks and Phillips Find, search for quality opportunities and work closely with Select Minerals Pty Ltd to progress the Mt Thirsty Project.

Western Australia continues to offer world class resource projects for those companies with the necessary skills to identify, develop and manage such opportunities. Our comparative advantage is our geological knowledge of our own region. It is on this basis we seek to build for the future and continue to increase shareholder wealth.

A handwritten signature in black ink, appearing to read 'G. Berrell', written in a cursive style.

Gary Berrell
Chairman



managing director's overview



The past twelve months have been an exciting and productive time for the Company. Highlights include the commencement of production at Burbanks in July 2006, first gold pour in August and ramping up to full production in December together with the completion of over 20,000 metres of underground exploration diamond drilling. At Mt Thirsty, aggressive drilling programs have almost trebled the resource base. Riverina saw a major increase in its gold resource inventory coupled with the upgrading of the Martins Zone Nickel Laterite Target to an Indicated Resource. Exploration at Phillips Find and Quinn Hills has defined new targets beneath existing pits and historical underground workings.

The 100% owned, unencumbered Burbanks Gold Operation continues to be the main focus for the Company. This year has seen the rapid development of the mine ahead of production to create access to the entire mining reserve far sooner than forecast. This has provided the Company access to ideal deeper exploration drilling positions to facilitate the accelerated addition of new resources. A testament to this approach has been the exciting discovery of the high grade Dahmu Reef together with down plunge extensions to the Tailor Shoot-Eastern Reef System.

Mine production for the year saw a total of 221,000 tonnes for 26,400 ounces of gold being sourced from the Tailor, Eastern and Wahloo Shoots from stoping operations on the 330 and 310 levels. These production figures represent an outstanding result considering half the year was focussed on developing the mine ahead of full scale production.

The Company acknowledges the continued support from mining contractor Barmenco Limited ("Barmenco") who has facilitated the acceleration in underground development and production along with scheduled ore processing at its nearby Greenfields Gold Treatment Plant.

Regional Reverse Circulation ("RC") drilling north and south along strike from the Burbanks Mine intersected significant gold mineralisation at five separate prospects where broad zones of shallow gold mineralisation similar to the near surface expression of Tailor Shoot and Eastern Reef were intersected.

The **Mt Thirsty Project** located 20 kilometres north-northwest of Norseman formed the second major focus for the Company during the year. Barra Resources Limited ("Barra") entered into an Agreement with Project owner and tenement holder Select Minerals Pty Ltd ("Select") in late December 2006, whereby the Company is to provide initial exploration funding totalling \$500,000 after which both parties participate equally to develop the Project. Previous explorers had defined a shallow, totally oxidised cobalt-nickel resource of 8.4 million tonnes grading 0.19% cobalt and 0.64% nickel. During the year, Barra's focussed exploration approach has seen a near trebling of the resource base to just under 21 million tonnes grading 0.14% cobalt, 0.62% nickel and 1.01% manganese, an outstanding result. Encouragingly the deposit remains open to both the west and south.

At the **Riverina Project**, Joint Venture partner Riverina Resources Pty Ltd ("RRPL") continued to achieve considerable exploration success with a significant increase in overall gold resources to over 200,000 ounces from the Riverina Gold Mine, Murchison Lode, Reggies Lode and the Silver Tongue Prospect. Additional drilling at Martins Zone has effectively upgraded the original Nickel Laterite Target to a JORC compliant Indicated Resource now standing at 2.2 million tonnes grading 1.01% nickel and 0.06% cobalt. A re-assessment of the Martins Zone nickel sulphide has re-defined a steep plunging komatiitic lava channel worthy of deeper exploratory drilling.

A decision by RRPL in August 2007 to focus on the Martins Zone Nickel Laterite Deposit has seen Barra mutually agree to the sale of the Projects gold rights to Monarch Gold Mining Company Ltd ("Monarch") for 15 million shares and 5 million options, Barra's share being 30%. Negotiations are currently at an advanced stage to joint venture out the rights to explore for nickel sulphides.

At the Company's 100% owned **Quinn Hills and Phillips Find Projects**, work has concentrated on preparation of drilling programs targeting priority areas beneath previous open pits, historical mine workings and regional exploration targets.

2007 has seen another year of significant growth for the Company. Achievements being significant drilling success at our Burbanks Gold Operation, quality acquisitions made with the addition of the Mt Thirsty Project and continued growth of shareholder value which will continue into 2008. The prospectivity of the Company's Projects continues to be enhanced in what is still considered an under-explored tenement portfolio.

The Board sincerely thanks all shareholders for their continued support and I wish to congratulate all employees on their outstanding effort during 2007.

A handwritten signature in black ink, appearing to read 'D Goodwin'. The signature is fluid and cursive, with a large initial 'D' and a long horizontal stroke at the end.

Dean Goodwin
Managing Director

BURBANKS PROJECT

100% Barra

BURBANKS PROJECT (100% Barra)

The Burbanks Project is located 9 kilometres southeast of Coolgardie and consists of Mining Lease M15/161 totalling 3 square kilometres and covering over 5 kilometres of strike extent of the Burbanks shear. The Burbanks

Mining Centre has produced in excess of 366,000 ounces of gold from predominantly above 100 metres vertical depth from both historical underground mine workings and modern open pits. The historical Birthday Gift shaft produced 180,000 ounces at 27.4 grams per tonne

("g/t") gold while the Main Lode produced 85,900 ounces at 18.3 g/t gold, with extraction from recent pits totalling 41,800 ounces grading 3.5 g/t gold.

Table 1: Drilling Statistics for 2006-2007 Financial Year

	Burbanks Project		Riverina Project		Mt Thirsty Project		TOTAL		
	Qtr	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Rotary Air Blast	1								
	2								
	3								
	4			35	958			35	958
	TOTAL RAB							35	958
Air Core	1								
	2					13	690	13	690
	3					55	2,696	55	2,696
	4					153	7,120	153	7,120
	TOTAL AC							221	10,506
Reverse Circulation	1			24	2,469			24	2,469
	2	42	2,683					42	2,683
	3			86	4,700			86	4,700
	4								
	TOTAL RC							152	9,852
Diamond Drilling	1	24	2,319.5					24	2,319.5
	2	40	5,096					40	5,096
	3	42	5,867					42	5,867
	4	87	7,139					87	7,139
	TOTAL DD							193	20,421.5
TOTAL DRILL METRES								41,737.5	

production

New gold mining operation commenced and producing.



PRODUCTION

The Company commenced mining operations in late July 2006 with the establishment of the Lady Robinson portal and main decline together with strike drive development of the Tailor and Wahloo Shoots on the uppermost 330 level, 15 metres beneath the base of the Lady Robinson Open Pit. Development was accelerated to incorporate strike driving on the 310 and 295 levels during phase one mining in the later months of 2006 prior to full scale production which commenced in December 2006.

Due to existing open pits, it has not been possible to drill extensions to gold mineralisation at Burbanks from the surface. The Company's approach has therefore been via staged underground access to develop a medium to long term gold mining operation at Burbanks.

The aggressive approach to development has created access to the entire mining reserve far sooner than forecast and also provided the Company access to the lowest level of the identified mining reserve for exploration drilling positions. More importantly, old workings related to historical mining cease just below the

295 level resulting in "untouched" resources without high grade components removed and allowing for more cost efficient mining.

The accelerated underground development at the expense of forecast production was facilitated largely by way of support from Barmenco who allocated manpower and equipment on favourable terms to the Company with the view to underwriting the longer term potential of mining operations at Burbanks.

Mine production for the year ending 30 June 2007 saw a total of 221,068 tonnes for 26,370 ounces of gold being sourced from the Tailor, Eastern and Wahloo shoots from stoping operations on the 330 and 310 levels (Table 2). Minimal stoping has been undertaken on the 295 level, currently the lowest developed level in the mine at 100 metres vertical depth below surface. These production figures represent an outstanding result considering half the year was focussed on setting up a new mining operation with all associated infrastructure and support facilities including underground development prior to the commencement of full scale production in December 2006.

During the year, the Company milled 158,113 tonnes of ore for 17,840 recovered ounces at Higginsville Mining Pty Ltd's Greenfields Mill, located 3 kilometres north-east of Coolgardie. Excellent reconciliation between predicted grades from mine production and actual mill grades was achieved with a variance of only 2.2%. The mill performed above budgeted expectations achieving an average recovery for the year of 96.4% with 65% of the gold from the Burbanks ore reporting to the gravity circuit.

The Company currently has surface ore stockpiles at both the mine and at Greenfields Mill totalling 74,000 tonnes grading 2.98 g/t for 7,090 ounces of gold.

Costs per tonne were adversely impacted by the accelerated development of the mine and the resultant delay in full scale production. Cost savings were generated in early 2007 by transferring the mine power supply from diesel generators to mains power.

Table 2: Burbanks Production Statistics

	Units	FY2007	June Qtr 2007	Mar Qtr 2007	Dec Qtr 2006	Sept Qtr 2006	Project to Date
Ore Mined	t	221,068	80,548	80,370	38,681	21,469	221,068
Ore Milled	t	158,113	75,581	37,202	34,922	10,408	158,113
Head Grade	(g/t) gold	3.64	3.08	4.61	3.11	6.03	3.64
Recovery	%	96	95	97	96	98	96
Gold Production	oz	17,840	7,146	5,357	3,359	1,978	17,840

exploration

A Company record of 20,000 metres drilled.



EXPLORATION

Underground Diamond Drilling

A total of 193 holes for 20,421 metres were completed during the year from underground drilling stations testing beneath and along strike from current mining operations. An exceptional 85% of all exploration holes intersected significant gold mineralisation. All underground drilling results are presented in **Table 3**.

The highlight of the year was undoubtedly the discovery of the high grade Dahmu Reef located east of existing mine operations. Dahmu is a virgin discovery with no previous associated historical underground workings and potentially represents a very high grade shoot similar to those exploited between 1887 and 1914. Current drilling has delineated a reef in excess of 140 metres in strike at least 50 metres in dip extent from the 340 level to the 290 level and varying in width from 2 metres to 6 metres.

Dahmu remains open along strike to the north and south and also at depth and down plunge. The reef appears to

exhibit similar geometrical similarities to the historically mined Jesson Reef which produced in excess of 110,000 ounces of gold.

Dahmu is an important discovery with its close proximity to existing mine infrastructure allowing it to be exploited with minimal development (**Figure 1 and 2**). Further repetitions of this style of mineralisation are highly likely within the Burbanks Mine environment.

Significant Dahmu intersections include:

Width (m)	Gold (g/t)	Hole
25.05	@ 31.79	BBUD221
including 10.22m @ 68.46g/t		
3.00	@ 27.41	BBUD186
2.00	@ 25.26	BBUD255
5.10	@ 13.81	BBUD214
2.00	@ 11.77	BBUD245
16.90	@ 8.76	BBUD138
11.24	@ 6.02	BBUD136
17.80	@ 5.78	BBUD137

Drilling also continued throughout the year testing the down plunge and along strike extensions to the Tailor Shoot-Eastern Reef system beneath

the current mining reserves. The programs were designed to extend mineralisation from the 295 level down to the historical workings on the old seven level, a distance of more than 150 vertical metres. Drilling was highly successful confirming significant gold mineralisation exists down the interpreted steep northern plunge line of the Tailor Shoot-Eastern Reef System (**Figures 2 and 3**).

Significant Tailor Shoot-Eastern Reef results include:

Width (m)	Gold (g/t)	Hole
14.33	@ 11.28	BBUD80
including 4.65m @ 19.50g/t		
5.72	@ 15.78	BBUD167
5.00	@ 13.97	BBUD90
8.00	@ 6.90	BBUD88
11.80	@ 6.08	BBUD87
4.65	@ 7.45	BBUD112
11.75	@ 4.97	BBUD186
11.56	@ 4.14	BBUD149

potential

The recent discovery of the Dahmu Reef coupled with the continued down plunge extent of the Tailor Shoot–Eastern Reef System highlights the enormous potential at Burbanks for multiple shoot developments within this large predominantly untested high grade gold system.

Figure 1: Longitudinal Section Showing Dahmu Reef

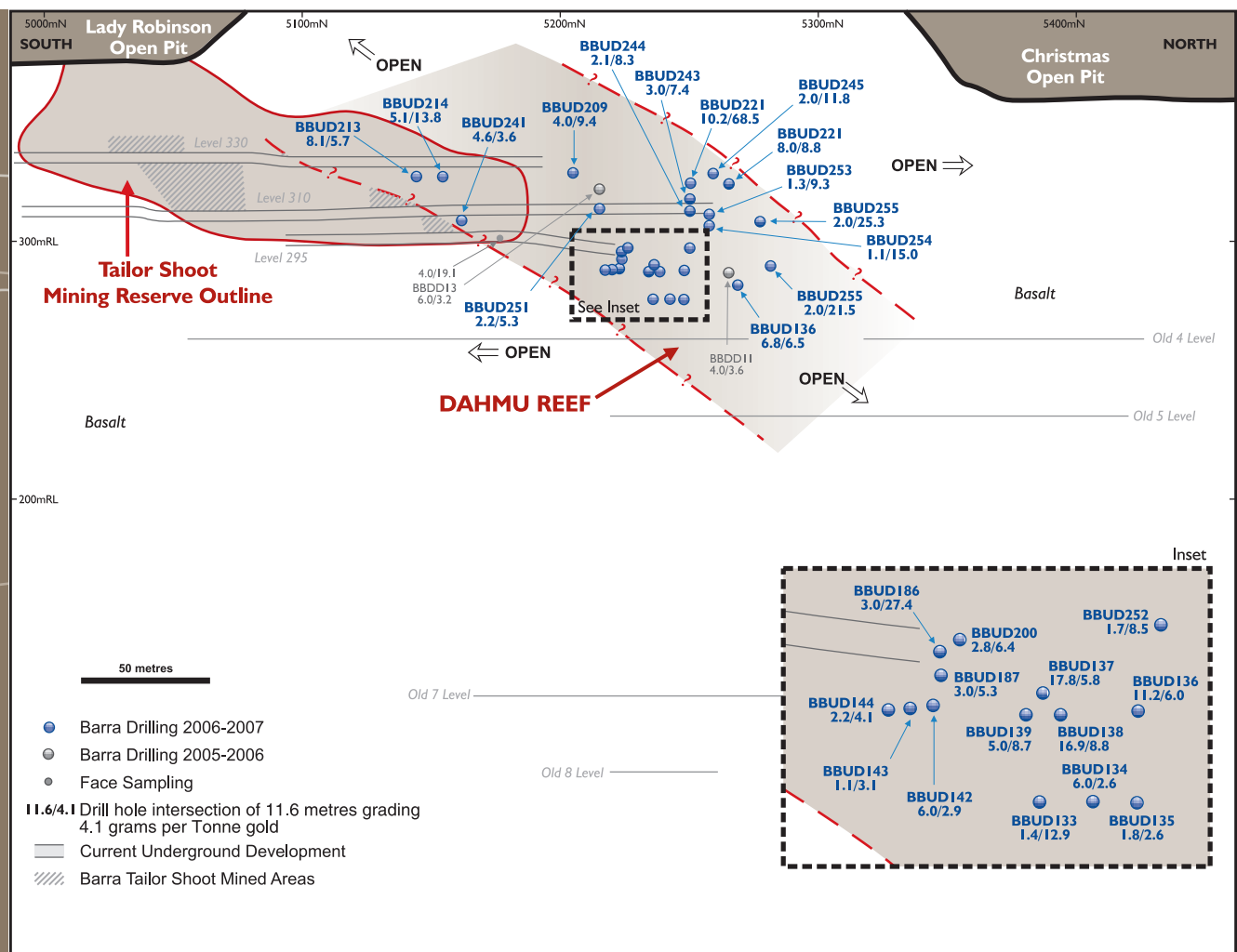




Figure 2: Schematic Location Plan Showing Dahmu Reef, Tailor Shoot and Eastern Reef

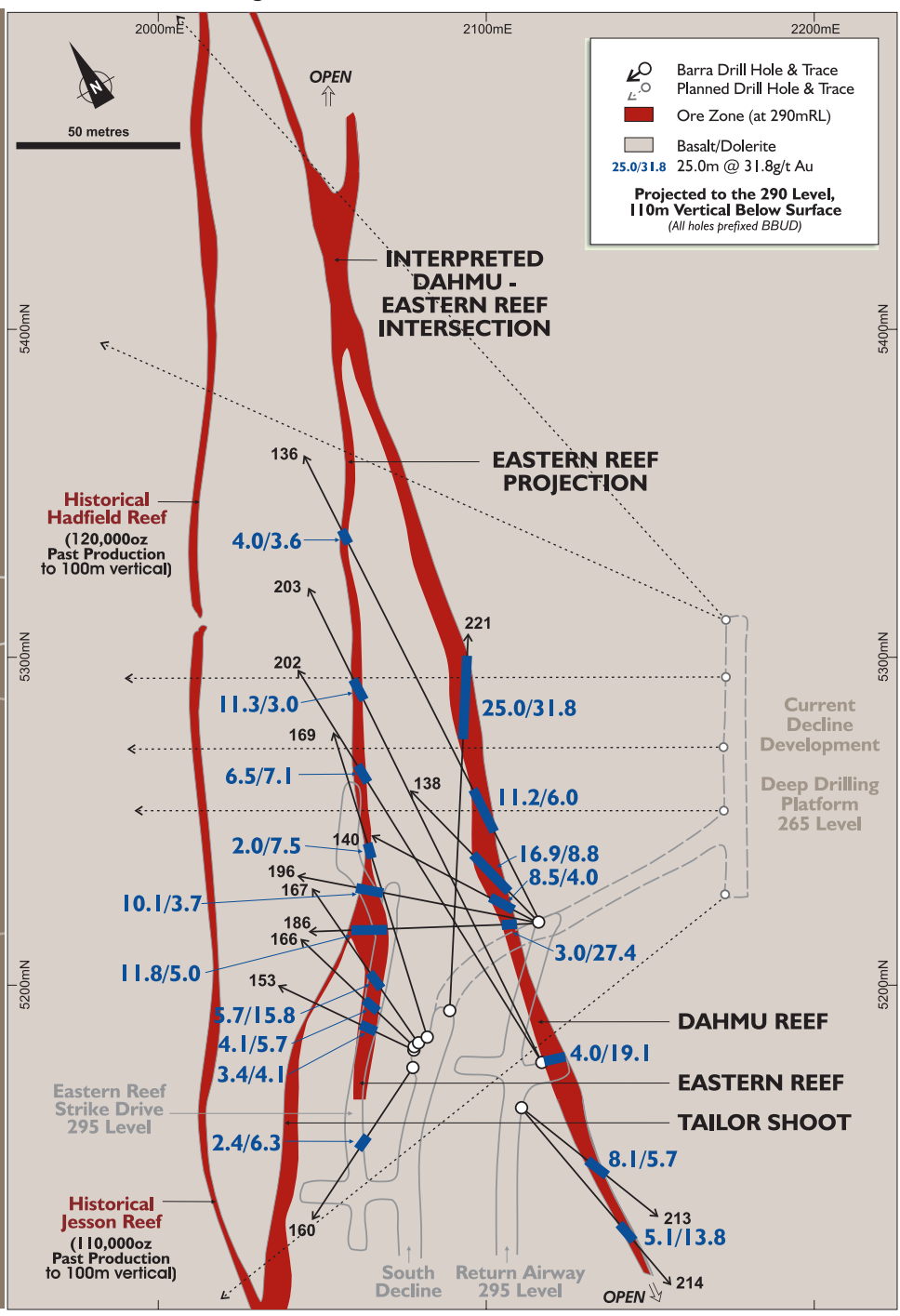
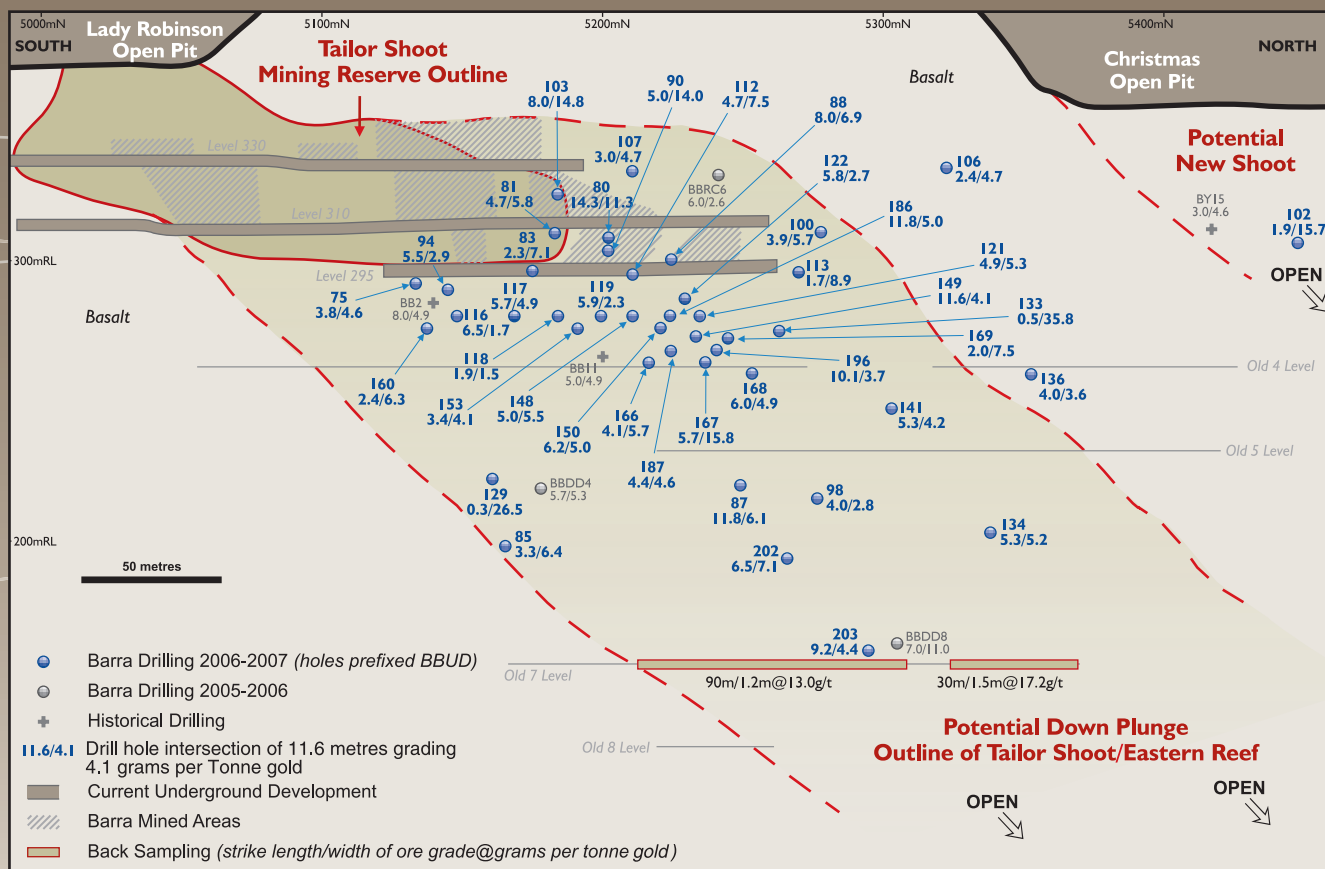


Figure 3: Longitudinal Section Showing Tailor Shoot and Eastern Reef



drilling results

85% of exploration holes drilled intersected significant gold mineralisation.



Table 3: Burbanks Underground Diamond Drill Results

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
BBUD27	19.50	20.50	1.00	1.85
	25.50	27.75	2.25	2.68
	37.20	38.80	1.60	1.83
	40.60	41.67	1.07	3.43
BBUD28	47.00	48.28	1.28	1.44
	79.50	80.50	1.00	4.07
	100.05	101.05	1.00	4.57
BBUD29	126.37	131.30	4.93	1.15
	50.30	57.10	6.80	33.15
	61.47	73.41	11.94	4.93
BBUD30	131.05	131.50	0.45	9.30
	26.28	29.77	3.49	0.94
	91.2	92.2	1.00	1.72
BBUD31	103.22	104.22	1.00	2.02
	112.30	113.42	1.12	2.46
	54.00	61.25	7.25	1.51
	<i>including</i>	54.00	58.40	4.40
BBUD32	67.00	68.00	1.00	1.28
	82.00	83.00	1.00	2.07
	88.00	89.27	1.27	2.31
	16.70	18.00	1.30	1.67
BBUD33	25.00	26.00	1.00	5.58
	43.00	47.08	4.08	1.30
	60.00	61.14	1.14	4.66
	70.80	72.00	1.20	1.00
BBUD34	21.00	22.00	1.00	1.05
	34.00	37.00	3.00	1.84
	50.00	59.50	9.50	3.01
	63.80	65.00	1.20	1.69
BBUD35	32.00	38.00	6.00	1.47
	42.50	49.07	6.57	4.56
	52.45	58.50	6.05	2.13
	33.95	44.00	10.05	5.83
BBUD36	49.00	49.38	0.38	1.69
	54.78	56.22	1.44	2.03
	67.00	68.00	1.00	2.94
	50.00	51.00	1.00	2.21
BBUD37	63.90	72.93	9.03	2.32
BBUD38	80.00	81.00	1.00	20.85
BBUD39	59.97	61.00	1.03	3.80
BBUD41	52.00	59.50	7.50	2.18
BBUD42	57.25	63.60	6.35	3.66
BBUD43	57.55	59.00	1.45	1.40
BBUD44	31.00	38.00	7.00	5.67
	55.80	57.77	1.97	3.26
BBUD45	22.75	22.90	0.15	13.28
	23.50	23.80	0.30	2.78
BBUD46	18.90	26.30	7.40	4.58
<i>including</i>	23.87	26.30	2.43	10.95

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
BBUD47	33.00	37.85	4.85	3.77
	42.37	52.45	10.08	3.68
BBUD48	58.00	63.65	5.65	3.24
BBUD49	64.46	71.60	7.14	3.89
BBUD50	77.73	82.68	4.95	4.04
BBUD51	67.55	76.41	8.86	4.20
BBUD52	57.30	68.70	10.80	2.47
	73.62	74.62	1.00	3.38
	90.65	91.44	0.79	2.15
BBUD53	91.80	92.24	0.44	1.02
BBUD55	104.70	104.95	0.25	8.69
BBUD57	146.00	147.23	1.23	1.17
BBUD60	6.00	7.00	1.00	1.04
	122.80	123.78	0.98	2.57
BBUD62	68.90	69.37	0.47	1.60
BBUD63	77.70	78.20	0.50	1.23
	62.80	64.20	1.40	6.45
	65.60	66.00	0.40	4.00
BBUD64	67.59	68.79	1.20	1.09
BBUD65	44.47	56.00	11.53	1.45
<i>including</i>	49.20	51.00	1.80	3.27
BBUD66	69.05	70.70	1.65	2.74
BBUD69	111.78	113.00	1.22	7.64
BBUD70	78.00	79.00	1.00	7.02
BBUD71	73.72	74.37	0.65	3.70
	110.80	117.00	6.20	1.48
BBUD72	67.20	71.60	4.40	2.45
	90.40	91.16	0.76	11.22
BBUD73	69.00	71.90	2.90	2.94
BBUD74	38.00	39.00	1.00	4.44
<i>including</i>	68.74	75.70	6.96	4.39
	73.34	75.70	2.36	8.77
BBUD75	35.00	36.00	1.00	10.29
<i>including</i>	78.80	88.00	9.20	2.76
	79.20	83.00	3.80	4.61
BBUD76	37.00	45.00	8.00	3.62
<i>including</i>	38.00	39.00	1.00	16.17
BBUD77	73.56	75.00	1.44	3.88
BBUD78	93.17	94.33	1.16	4.58
	104.13	107.00	2.87	2.10
BBUD80	54.49	68.82	14.33	11.28
<i>including</i>	62.68	67.33	4.65	19.50
<i>including</i>	71.70	73.78	2.08	4.58
	42.31	47.00	4.69	5.79
<i>including</i>	43.00	43.85	0.85	18.14
	70.45	73.66	3.21	2.54
	93.07	93.44	0.37	21.64
BBUD82	101.00	102.00	1.00	7.85
	77.66	79.54	1.88	1.83



Hole	From (m)	To (m)	Width (m)	Gold (g/t)
	88.35	92.11	3.76	2.21
BBUD83	66.85	69.11	2.26	7.11
BBUD84	72.72	73.53	0.81	1.31
	74.45	75.95	1.50	1.78
	78.30	79.15	0.85	2.34
	86.00	87.00	1.00	1.80
BBUD85	4.00	10.00	6.00	3.83
	90.80	93.65	2.85	2.94
	119.32	120.35	1.03	6.41
	141.00	144.30	3.30	6.43
<i>including</i>	142.47	144.30	1.83	10.23
BBUD86	131.00	132.00	1.00	5.82
	138.00	143.08	5.08	3.28
	153.00	154.00	1.00	2.89
BBUD87	25.00	27.00	2.00	5.13
	140.20	152.00	11.80	6.08
<i>including</i>	140.20	142.49	2.29	15.32
	171.00	181.50	10.50	2.49
BBUD88	72.00	80.00	8.00	6.90
<i>including</i>	72.00	73.00	1.00	30.71
BBUD89	70.10	74.70	4.60	2.08
	110.53	111.35	0.82	3.21
BBUD90	55.00	60.00	5.00	13.97
<i>including</i>	56.32	57.70	1.38	31.72
BBUD91	60.43	62.03	1.60	5.25
	65.82	69.37	3.55	6.02
BBUD92	58.56	65.58	7.02	8.26
<i>including</i>	58.56	62.87	4.31	13.10
BBUD93	16.60	20.00	3.40	12.13
<i>including</i>	17.86	18.25	0.39	84.28
BBUD94	46.00	47.00	1.00	2.79
	70.49	76.00	5.51	2.87
BBUD95	39.52	40.82	1.30	1.83
BBUD96	138.00	140.61	2.61	1.65
	145.00	147.13	2.13	2.35
BBUD98	138.00	139.00	1.00	2.79
	160.00	164.00	4.00	2.80
	176.00	177.00	1.00	2.75
BBUD99	23.00	25.73	2.73	1.86
	39.80	41.04	1.24	3.06
	46.79	50.90	4.11	2.25
	65.48	65.80	0.32	23.65
BBUD100	31.00	34.46	3.46	1.96
	37.38	43.86	6.48	4.11
<i>including</i>	37.38	41.26	3.88	5.69
	77.00	86.51	9.51	2.72
BBUD102	199.15	201.00	1.85	15.70
BBUD103	44.00	46.40	2.40	3.56
	48.00	56.00	8.00	14.80
BBUD104	58.00	61.00	3.00	1.98
	63.00	64.00	1.00	2.65

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
BBUD105	23.55	25.67	2.12	4.40
	51.00	51.98	0.98	6.06
BBUD106	77.00	87.00	10.00	1.94
<i>including</i>	77.00	79.38	2.38	4.68
	101.50	107.00	5.50	2.07
BBUD107	63.00	66.00	3.00	4.74
BBUD109	84.00	87.00	3.00	1.51
BBUD110	139.00	140.00	1.00	1.12
BBUD112	28.10	34.00	5.90	6.09
<i>including</i>	29.35	34.00	4.65	7.49
	41.00	47.00	6.00	3.08
<i>including</i>	41.53	43.75	2.22	6.11
BBUD113	41.45	45.00	3.55	2.24
	51.00	52.00	1.00	4.01
	66.39	72.00	5.61	2.49
	87.80	89.50	1.70	8.89
	112.89	115.47	2.58	2.88
BBUD114	41.63	49.09	7.46	1.27
	91.85	93.00	1.15	5.06
BBUD116	47.50	54.00	6.50	1.73
BBUD117	37.28	53.13	15.85	2.93
<i>including</i>	37.28	42.98	5.70	4.85
BBUD118	25.00	26.59	1.59	2.41
	39.05	40.90	1.85	1.43
BBUD119	42.00	47.93	5.93	2.30
BBUD121	42.00	44.50	2.50	3.94
	50.98	55.87	4.89	5.27
	62.12	62.83	0.71	14.59
BBUD122	32.00	33.00	1.00	5.65
	45.18	51.00	5.82	2.65
<i>including</i>	45.18	45.72	0.54	16.24
	55.00	56.00	1.00	4.45
	59.00	62.00	3.00	2.15
BBUD123	21.00	23.00	2.00	3.22
	29.62	32.00	2.38	2.59
	102.07	103.00	0.93	3.12
	131.00	132.00	1.00	3.67
BBUD127	90.75	96.53	5.78	1.78
BBUD128	85.00	86.30	1.30	1.35
	89.00	90.00	1.00	1.97
BBUD129	90.03	91.00	0.97	1.20
	114.55	114.80	0.25	26.48
BBUD131	11.00	12.00	1.00	1.31
BBUD132	17.00	18.00	1.00	2.88
	127.00	128.00	1.00	1.46
BBUD133	25.00	26.40	1.40	12.87
<i>including</i>	25.95	26.40	0.45	35.81
	31.00	32.00	1.00	3.07
BBUD134	27.00	33.00	6.00	2.57
<i>including</i>	31.00	32.00	1.00	6.58
	152.00	159.00	7.00	3.16



Hole	From (m)	To (m)	Width (m)	Gold (g/t)
<i>including</i>	154.15	159.00	4.85	4.06
	168.00	177.50	9.50	3.47
<i>including</i>	169.00	174.35	5.35	5.15
BBUD135	34.40	36.15	1.75	2.63
	168.44	169.07	0.63	3.31
BBUD136	26.12	37.36	11.24	6.02
<i>including</i>	32.00	35.00	3.00	13.00
	54.90	61.70	6.80	6.45
	67.71	75.00	7.29	2.36
	159.22	163.17	3.95	3.62
	174.00	176.00	2.00	3.04
BBUD137	20.20	38.00	17.80	5.78
<i>including</i>	20.20	28.00	7.80	10.19
BBUD138	20.10	37.00	16.90	8.76
<i>including</i>	21.00	26.00	5.00	15.02
BBUD139	20.00	25.00	5.00	8.73
	30.90	33.00	2.10	2.84
BBUD140	20.00	28.50	8.50	4.04
BBUD141	20.00	26.04	6.04	1.97
	98.11	109.0	10.89	2.63
<i>including</i>	102.36	107.65	5.29	4.16
BBUD142	9.00	15.00	6.00	2.91
<i>including</i>	9.00	10.00	1.00	6.76
	95.00	97.50	2.50	1.80
BBUD143	10.20	11.34	1.14	3.09
	80.00	80.70	0.70	7.89
BBUD144	9.80	12.00	2.20	4.08
	135.60	136.80	1.20	1.94
BBUD145	9.50	11.00	1.50	2.27
BBUD146	12.00	13.00	1.00	3.88
	126.00	127.00	1.00	2.81
BBUD147	12.00	13.00	1.00	1.27
BBUD148	29.00	34.00	5.00	5.48
<i>including</i>	33.00	34.00	1.00	12.75
	52.50	60.00	7.50	5.21
BBUD149	27.00	30.00	3.00	2.00
	53.83	65.39	11.56	4.14
<i>including</i>	64.00	65.39	1.39	9.57
	78.63	80.00	1.37	1.92
	113.00	114.15	1.15	1.82
BBUD150	26.00	28.00	2.00	2.63
	41.72	51.39	9.67	3.65
<i>including</i>	45.20	51.39	6.19	5.02
BBUD151	10.10	11.21	1.11	20.94
<i>including</i>	10.10	10.43	0.33	66.40
	33.80	36.00	2.20	2.70
	50.00	51.00	1.00	1.49
BBUD153	18.60	22.00	3.40	4.06
	51.00	53.00	2.00	2.22
BBUD154	21.34	23.00	1.66	2.99
	50.00	51.00	1.00	1.49

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
BBUD155	45.00	49.50	4.50	3.36
<i>including</i>	117.25	117.75	0.50	22.76
BBUD156	66.00	66.75	0.75	3.24
BBUD157	19.80	20.75	0.95	3.50
	82.45	84.40	1.95	1.45
BBUD159	117.25	121.00	3.75	5.20
BBUD160	57.40	59.78	2.38	6.28
	63.24	64.75	1.51	4.18
BBUD162	24.00	25.40	1.40	2.11
BBUD163	53.00	54.00	1.00	1.99
BBUD164	52.20	53.00	0.80	2.34
BBUD165	30.00	31.00	1.00	2.87
	39.00	40.00	1.00	2.84
BBUD166	44.60	48.70	4.10	5.68
BBUD167	59.40	65.12	5.72	15.78
<i>including</i>	65.10	65.70	0.60	123.10
BBUD168	21.10	26.95	5.85	2.17
	33.05	36.70	3.65	2.01
	76.85	82.81	5.96	4.87
	89.45	93.75	4.30	3.17
BBUD169	22.60	26.00	3.40	3.76
	48.00	48.85	0.85	5.21
	56.00	58.00	2.00	2.39
	61.00	63.00	2.00	7.45
	80.60	81.85	1.25	5.24
BBUD172	122.00	125.18	3.18	1.97
BBUD173	29.00	30.06	1.06	1.20
BBUD174	17.00	18.00	1.00	1.10
	42.18	44.18	2.00	2.59
BBUD180	28.00	29.00	1.00	1.27
BBUD181	56.10	57.00	0.90	1.58
BBUD182	39.00	40.00	1.00	7.86
BBUD183	124.96	126.00	1.04	5.20
BBUD184	8.00	11.00	3.00	1.00
	80.40	81.50	1.10	5.01
BBUD185	9.00	11.00	2.00	3.44
BBUD186	7.00	10.00	3.00	27.41
	52.00	63.75	11.75	4.97
BBUD187	7.00	10.00	3.00	5.28
	52.00	56.40	4.40	4.63
BBUD188	10.00	10.90	0.90	4.43
BBUD189	55.45	60.15	4.70	3.85
BBUD190	56.80	61.00	4.20	3.61
	83.50	84.00	0.50	4.85
BBUD192	82.91	84.65	1.74	3.36
BBUD193	45.00	53.50	8.50	1.38
BBUD194	20.00	21.00	1.00	5.82
BBUD196	6.42	10.00	3.58	3.73
	15.50	17.91	2.41	2.89
	66.00	76.05	10.05	3.73
<i>including</i>	66.00	68.00	2.00	9.44



Hole	From (m)	To (m)	Width (m)	Gold (g/t)	
BBUD197	12.00	14.00	2.00	3.38	
	75.00	79.00	4.00	1.26	
	88.00	89.00	1.00	2.49	
BBUD198	92.25	92.56	0.31	20.43	
	12.95	13.97	1.02	2.68	
	22.83	25.00	2.17	4.03	
BBUD199	89.00	90.00	1.00	5.99	
	95.21	97.06	1.85	2.05	
	13.12	15.00	1.88	3.34	
BBUD200	19.74	22.00	2.26	2.57	
	14.39	15.46	1.07	4.17	
	26.00	28.84	2.84	6.40	
BBUD201	30.64	33.67	3.03	1.27	
	41.10	42.00	0.90	2.30	
	85.71	86.71	1.00	2.55	
BBUD202	136.00	141.00	5.00	2.52	
	150.50	157.00	6.50	7.10	
	184.60	184.90	0.30	69.46	
BBUD203	145.70	150.30	4.6	2.14	
	155.74	167.00	11.26	2.99	
	<i>including</i>	158.41	163.00	4.59	4.90
<i>including</i>	196.39	205.63	9.24	4.43	
	202.65	205.63	2.98	8.96	
	218.62	219.31	0.69	23.32	
BBUD209	14.00	21.00	7.00	2.55	
	33.00	37.00	4.00	9.39	
BBUD213	28.00	36.10	8.10	5.74	
	<i>including</i>	29.00	30.00	1.00	21.81
BBUD214	11.90	17.00	5.10	13.81	
	<i>including</i>	14.00	15.00	1.00	48.57
BBUD217	0.10	4.00	3.90	2.00	
	55.00	58.00	3.00	1.57	
BBUD218	5.00	8.00	3.00	3.31	
BBUD219	7.00	8.00	1.00	11.05	
	50.00	51.00	1.00	23.08	
	62.00	68.00	6.00	2.29	
BBUD221	80.00	105.05	25.05	31.79	
	<i>including</i>	80.00	90.22	10.22	68.46
	<i>and</i>	97.10	105.05	7.95	8.75
BBUD222	52.00	55.00	3.00	2.88	
BBUD223	26.00	27.00	1.00	3.21	
	56.00	59.00	3.00	1.54	
BBUD224	20.00	21.00	1.00	1.82	
	23.00	24.00	1.00	17.75	

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
BBUD225	26.00	28.00	2.00	3.00
	25.00	26.00	1.00	1.89
BBUD227	7.00	8.00	1.00	1.50
	36.00	39.00	3.00	3.87
BBUD230	44.00	45.00	1.00	11.46
	9.50	11.00	1.50	2.58
	30.00	31.00	1.00	6.41
BBUD232	91.74	94.37	2.63	0.95
	BBUD241	7.00	11.68	4.68
BBUD241	23.00	27.54	4.54	2.46
	102.40	107.00	4.60	3.58
	<i>including</i>	102.40	103.26	0.86
BBUD242	7.00	8.00	7.00	1.80
BBUD243	5.05	8.00	2.95	7.44
BBUD244	4.76	6.86	2.10	8.26
BBUD245	4.46	6.46	2.00	11.77
	74.61	76.17	1.56	2.34
	77.74	79.14	1.40	4.72
BBUD246	10.16	13.00	2.84	1.89
BBUD247	14.57	16.00	1.43	4.55
BBUD249	6.50	7.95	1.45	5.29
	44.44	46.00	1.56	2.58
	49.00	51.00	2.00	1.86
BBUD250	54.00	55.00	1.00	5.27
	16.33	19.00	2.67	0.75
	BBUD251	36.40	37.40	1.00
BBUD252	39.30	41.45	2.15	5.26
	8.90	10.68	1.78	4.71
BBUD253	34.86	36.56	1.70	8.49
	40.00	41.12	1.12	1.37
	9.00	10.25	1.25	9.33
BBUD254	39.00	39.87	0.87	7.88
	10.00	11.05	1.05	15.03
	38.00	39.00	1.00	2.02
BBUD255	41.55	50.00	8.45	1.81
	12.00	14.00	2.00	25.26
	53.00	55.00	2.00	21.54

Note: Holes returning no significant assays or abandoned are excluded from table.



Regional Reverse Circulation Drilling

During the year a total of 42 regional Reverse Circulation drill holes for 2,683 metres were drilled testing priority targets along the Burbanks Shear System north and south of the Burbanks Mining Operation. The objective of the drilling was to locate shallow, economic gold mineralisation amenable to open pit development.

Drilling focussed mainly on five prospects being Galaxias, Anomaly H, Fylamona, Salmon and Anomaly G, following up on previous Barra intersections in early 2006 (Figure 4). Results from the drilling program were very encouraging with most holes intersecting gold mineralisation at shallow depths.

The most encouraging results were returned from the Fylamona and Salmon Prospects located 900 metres south of the Burbanks Mine. Importantly, both prospects are hosted in the same diorite which plays an important role in concentrating high grade gold mineralisation at the Burbanks Mine. Results of the drilling program are summarised in Table 4.

Further RC drilling is required at Fylamona and Salmon Prospects to test both strike and depth extents to shallow mineralisation encountered to date. Deeper drilling is also required north of Burbanks at Galaxias and around BBRC88 where shallow gold mineralisation was also intersected. Four other significant gold anomalies north of Burbanks remain to be tested.

Best Regional RC results received include:

Width (m)	Grade (g/t Au)	From (m)	Hole	Prospect
9	@ 2.65	23	BBRC79	Fylamona
10	@ 1.30	27	BBRC81	Salmon
1	@ 8.14	32	BBRC82	Salmon
21	@ 1.02	33	BBRC88	
10	@ 1.05	38	BBRC111	Anomaly G
5	@ 3.83	44	BBRC112	Salmon
14	@ 2.46	37	BBRC118	Salmon

Figure 4: Regional RC Drill Hole Locations

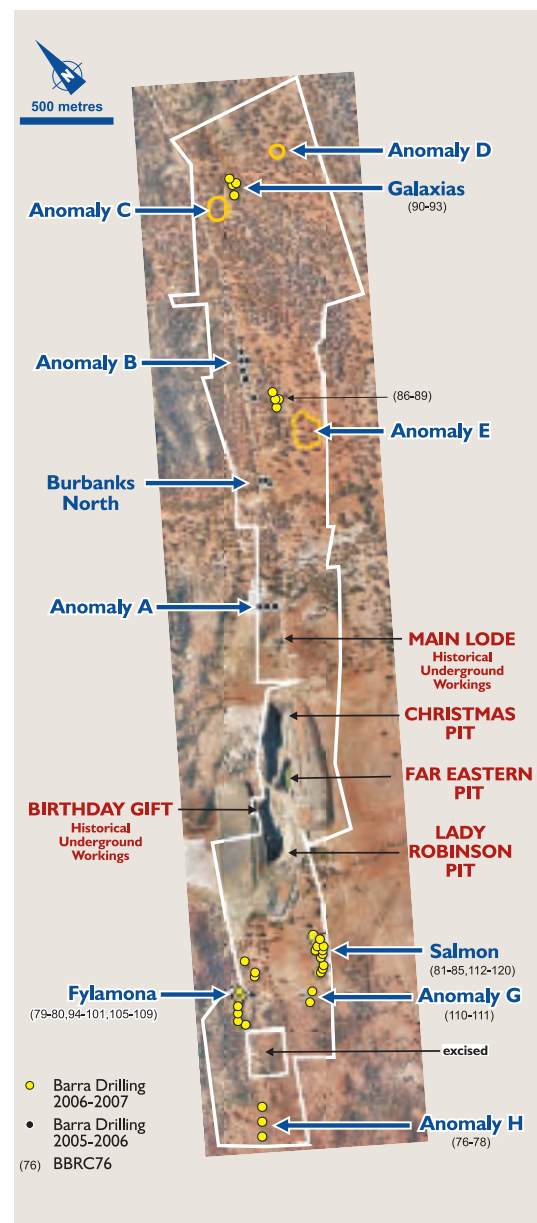




Table 4: Burbanks Regional RC Drill Results

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
BBRC76	No Significant Intersection			
BBRC77	No Significant Intersection			
BBRC78	No Significant Intersection			
BBRC79	23	32	9	2.65
<i>including</i>	23	26	3	6.37
<i>and</i>	30	32	2	2.09
	39	40	1	1.32
	43	44	1	1.15
BBRC80	26	32	6	1.47
<i>including</i>	26	27	1	3.07
<i>and</i>	30	32	2	2.69
BBRC81	14	15	1	2.04
	27	37	10	1.30
<i>including</i>	31	36	5	1.94
BBRC82	29	34	5	2.49
<i>including</i>	32	33	1	8.14
BBRC83	6	10	4	1.01
	31	32	1	1.84
BBRC84	0	1	1	2.68
BBRC85	No Significant Intersection			
BBRC86	26	27	1	0.72
BBRC87	12	13	1	2.92
BBRC88	13	14	1	3.22
	30	31	1	2.40
	33	54	21	1.02
<i>including</i>	36	37	1	1.11
<i>and</i>	42	44	2	2.53
<i>and</i>	48	52	4	2.39
	60	62	2	1.17
BBRC89	52	55	3	1.51
	59	60	1	1.04
BBRC90	28	29	1	1.64
BBRC91	13	15	2	2.88
BBRC92	42	44	2	1.33
BBRC93	No Significant Intersection			
BBRC94	17	27	10	0.61
<i>including</i>	22	26	4	1.01
	32	33	1	1.03
BBRC95	23	24	1	1.17
	34	35	1	2.02
	44	60	16	0.64
<i>including</i>	47	52	5	1.15
<i>and</i>	59	60	1	1.82
BBRC96	50	58	8	0.56
<i>including</i>	50	51	1	1.37
	76	77	1	1.17
BBRC97	16	28	12	0.67

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
<i>including</i>	17	18	1	3.25
<i>and</i>	26	27	1	1.13
	40	51	11	0.32
<i>including</i>	46	47	1	1.00
BBRC98	43	44	1	1.05
BBRC99	35	36	1	0.50
BBRC100	40	41	1	0.82
BBRC101	17	18	1	0.97
BBRC105	27	28	1	0.71
BBRC106	5	6	1	1.24
	50	51	1	1.21
BBRC107	9	48	39	0.53
<i>including</i>	21	22	1	2.16
<i>and</i>	25	27	2	1.03
<i>and</i>	35	36	1	1.03
<i>and</i>	41	44	2	2.92
	67	68	1	3.25
BBRC108	22	23	1	2.80
BBRC109	17	18	1	0.81
BBRC110	33	34	1	1.25
	68	70	2	2.09
BBRC111	15	22	7	0.78
	15	17	2	1.23
	21	22	1	1.18
	38	48	10	1.05
<i>including</i>	38	39	1	3.13
<i>and</i>	44	48	4	1.68
	55	56	1	1.66
BBRC112	44	49	5	3.83
BBRC113	42	46	4	1.43
	58	59	1	1.07
BBRC114	60	62	2	1.31
BBRC115	9	10	1	0.66
BBRC116	17	18	1	1.76
	27	31	4	1.43
	30	31	1	4.33
BBRC117	37	38	1	1.40
	44	46	2	2.08
BBRC118	37	51	14	2.46
<i>including</i>	38	41	4	5.26
<i>and</i>	45	46	1	8.46
<i>and</i>	49	50	1	3.18
BBRC119	37	40	3	1.04
BBRC120	16	18	2	3.29
	23	26	3	1.05

MT THIRSTY PROJECT

Barra earning 50%

EXPLORATION

The Mt Thirsty Project is located 20 km north-northwest of Norseman, Western Australia. The Company entered into an Option Agreement with Project owner and tenement holder Select late December 2006, whereby Barra is to provide Project exploration funding of \$500,000 to participate equally with Select to develop the Project.

Previous explorers in the mid 1990's defined an indicated and inferred oxide cobalt-nickel resource of 8,381,000 tonnes grading 0.19% cobalt and 0.64% nickel. The deposit differs from typical nickel laterite occurrences in that it is completely oxidised and contains up to eight times the cobalt content. The differing mineralogy of the deposit, which is a product of the unique weathering, allows for rapid high leaching recoveries, 83% cobalt and 50% nickel, at moderate temperatures and normal atmospheric pressure utilising weak acidic reagents.

During the first half of 2007, Barra completed infill and extensional aircore drilling programs totalling 221 holes for 10,506 metres. Holes were also designed to provide representative ore material from the deposit for

metallurgical test-work. All drill results are presented in **Table 6**.

Drilling confirmed excellent geological and grade continuity between Barra's new holes and previous work. Barra's drilling also revealed the ore profile to be substantially thicker in various parts of the deposit due to the inability of previous drilling to penetrate deep enough into the ore profile (**Figure 5**).

As a consequence of the Company's new drilling programs the initial resource has been substantially increased to a JORC compliant resource of 20,970,000 tonnes grading 0.14% cobalt, 0.62% nickel and 1.01% manganese (**Table 5**). The

new 70% indicated and 30% inferred resource contains extractable quantities of approximately 24,300 tonnes of cobalt, 65,000 tonnes of nickel and 186,400 tonnes of manganese based on metallurgical testwork conducted by Select. Subsequent metallurgical test-work conducted by Murdoch University and Metplant Ltd is expected to increase these overall tonnage figures. The upgraded resource is confined to a single orebody extending over a strike length of 1,300 metres with an average width of 600 metres (**Figure 6**).

Best results from the drilling programs include:

Width (m)	Cobalt (%)	Nickel (%)	From (m)	Hole
74	@ 0.28	1.00	18	MTAC4
	including 11m@ 1.04%Co and 1.25%Ni			
13	@ 0.37	1.09	5	MTAC9
25	@ 0.25	0.93	58	MTAC16
	including 8m@ 0.49%Co and 1.37%Ni			
10	@ 0.42	0.41	26	MTAC44
22	@ 0.30	0.64	23	MTAC82
15	@ 0.58	1.13	27	MTAC116
57	@ 0.15	0.62	35	MTAC122
	including 16m@ 0.30%Co and 0.55%Ni			
31	@ 0.25	0.92	33	MTAC159
	including 20m@ 0.35%Co and 1.03%Ni			
12	@ 0.17	1.00	38	MTAC175
11	@ 0.23	0.59	28	MTAC213

Potential to expand the current resource even further along strike to the south and to the west is considered excellent with very recent aircore drilling on 100 metre spacings intersecting significant widths of cobalt-nickel-manganese mineralisation.

Table 5 Mt Thirsty Resource at Varying Cobalt Cut-offs (calculated within mineralised boundary)

Cut-offs	Indicated Resource Category		Inferred Resource Category		Total Resource		
	Cobalt	Tonnage	Co%/Ni%/Mn%	Tonnage	Co%/Ni%/Mn%	Tonnage	Co%/Ni%/Mn%
0.00%		15,010,000	0.17/0.63/1.25	5,960,000	0.06/0.61/0.40	20,970,000	0.14/0.62/1.01
0.08%		14,880,000	0.17/0.63/1.25	670,000	0.13/0.59/1.00	15,540,000	0.17/0.63/1.24
0.10%		13,990,000	0.17/0.63/1.29	500,000	0.15/0.58/1.14	14,490,000	0.17/0.63/1.29
0.20%		3,350,000	0.27/0.68/2.02	60,000	0.27/0.61/1.91	3,410,000	0.27/0.68/2.02
0.30%		880,000	0.38/0.75/2.73	10,000	0.42/0.48/1.17	900,000	0.38/0.75/2.71

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

Figure 5: Mt Thirsty Cross Section 6447450mN

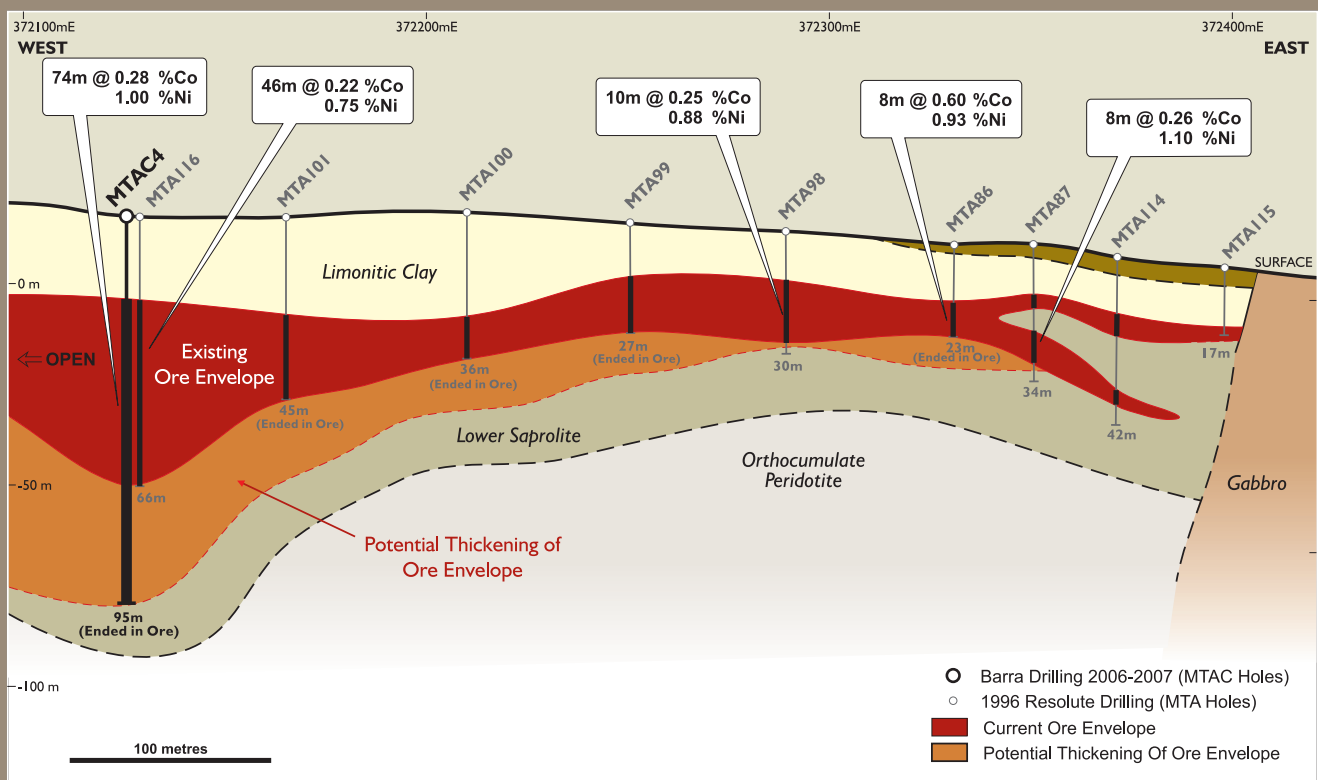
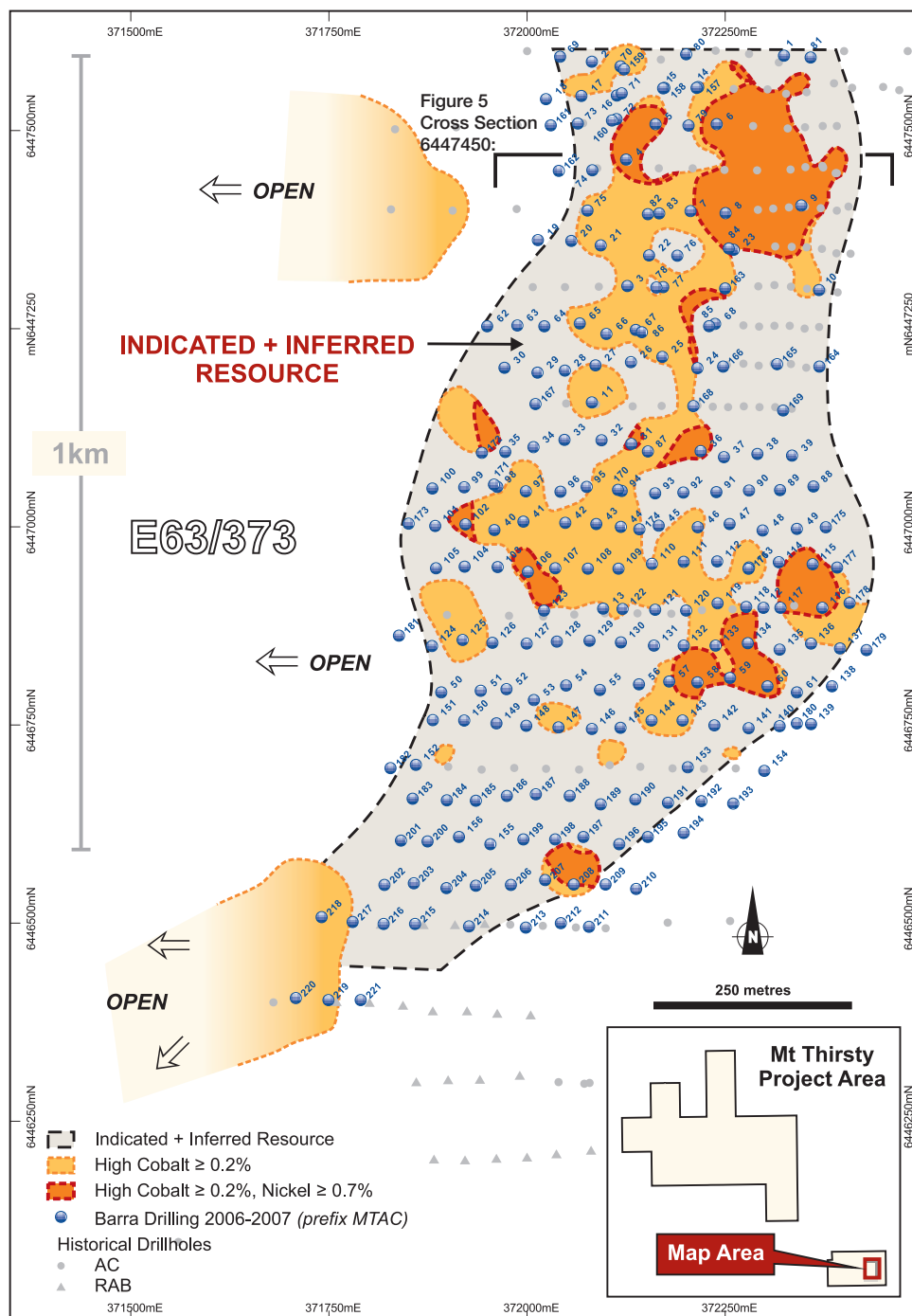




Figure 6: Mt Thirsty Aircore Drill Hole Location Plan



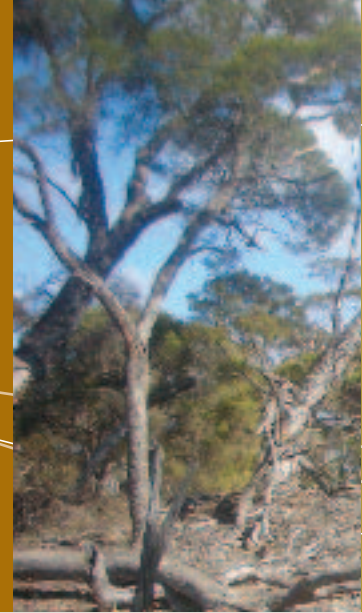
drilling results



Table 6: Mt Thirsty Aircore Drill Results

Hole	From (m)	To (m)	Width (m)	Cobalt (%)	Nickel (%)
MTAC1	0	1	1	0.26	0.47
	11	50	39	0.12	0.81
MTAC2	43	53	10	0.11	0.45
MTAC3	29	43	14	0.26	0.52
MTAC4*	18	92	74	0.28	0.97
including	19	30	11	1.04	1.25
and	67	92	25	0.13	1.21
MTAC5	14	59	45	0.24	0.81
including	17	21	4	0.71	0.93
and	41	54	13	0.23	1.14
MTAC6	8	22	14	0.40	0.72
including	9	16	7	0.64	0.80
MTAC7	16	32	16	0.33	0.70
including	16	20	4	0.87	0.98
MTAC8	10	29	19	0.37	0.84
including	11	15	4	1.04	1.52
MTAC9*	5	18	13	0.37	1.09
MTAC10*	8	20	12	0.08	0.95
including	8	13	5	0.14	1.07
MTAC11	26	45	19	0.37	0.69
including	38	44	6	0.71	1.12
MTAC12	32	69	37	0.20	0.72
	57	66	9	0.25	1.06
MTAC13*	39	63.5	24.5	0.23	0.56
MTAC14	16	34	18	0.13	0.51
MTAC15	14	34	20	0.23	0.61
including	26	34	8	0.35	0.72
MTAC16*	58	83	25	0.25	0.93
including	68	76	8	0.49	1.37
MTAC17	42	64	22	0.19	0.59
including	44	48	4	0.58	0.95
MTAC18	18	60	42	0.05	0.57
MTAC19	42	58	16	0.03	0.60
MTAC20	34	74	40	0.09	0.61
MTAC21	38	54	16	0.14	0.86
including	38	44	6	0.3	0.71
MTAC22	30	44	14	0.11	0.42
MTAC23	10	48	38	0.15	0.72
including	16	32	16	0.27	0.88
MTAC24	16	48	32	0.08	0.64
including	22	28	6	0.25	0.74
MTAC25	18	48	30	0.16	0.55
including	20	36	16	0.25	0.57
MTAC26	20	54	34	0.11	0.52
including	20	30	10	0.20	0.45
MTAC27	24	50	26	0.10	0.53
MTAC28	38	42	4	0.08	0.83
MTAC29	30	40	10	0.09	0.47
MTAC30	28	35	7	0.10	0.55
MTAC31	40	50	10	0.05	0.76

Hole	From (m)	To (m)	Width (m)	Cobalt (%)	Nickel (%)
MTAC32	38	44	6	0.11	0.51
MTAC33	28	52	24	0.09	0.51
MTAC34	28	48	20	0.05	0.61
MTAC35	34	48	14	0.13	0.83
MTAC36	26	38	12	0.19	0.80
MTAC37	2	34	32	0.10	0.64
including	18	34	16	0.16	0.81
MTAC38	10	24	14	0.10	0.75
MTAC39	6	40	34	0.08	0.58
including	32	40	8	0.11	0.83
MTAC40	14	40	26	0.30	0.59
MTAC41	28	42	14	0.12	0.58
MTAC42	30	40	10	0.15	0.55
MTAC43	28	38	10	0.13	0.47
MTAC44	26	36	10	0.42	0.41
MTAC45	24	35	11	0.14	0.39
MTAC46	9	25	16	0.15	0.49
including	17	23	6	0.35	0.46
MTAC47	16	22	6	0.16	0.49
MTAC48	8	44	36	0.04	0.62
MTAC49	18	64	46	0.05	0.60
MTAC50	26	40	14	0.05	0.45
MTAC51	28	42	14	0.08	0.59
MTAC52	26	40	14	0.08	0.43
MTAC53	26	38	12	0.13	0.49
MTAC54	32	38	6	0.07	0.61
MTAC55	24	33	9	0.07	0.53
MTAC56	20	34	14	0.10	0.43
MTAC57	14	30	16	0.24	0.59
MTAC58	16	40	24	0.09	0.77
MTAC59	12	38	26	0.13	0.57
including	18	30	12	0.21	0.65
MTAC60	10	24	14	0.26	0.88
MTAC61	0	34	34	0.13	0.54
including	12	20	8	0.29	0.62
MTAC62	28	32	4	0.14	0.51
MTAC63	20	36	16	0.08	0.51
MTAC64	34	42	8	0.11	0.87
MTAC65	24	48	24	0.15	0.57
including	28	36	8	0.28	0.67
MTAC66	32	44	12	0.13	0.68
MTAC67	36	40	4	0.23	0.43
MTAC68	24	40	16	0.09	0.69
including	32	38	6	0.18	1.01
MTAC69	40	42	2	0.01	0.74
MTAC70*	35	56	21	0.26	0.70
MTAC71*	61	65	4	0.13	1.24
MTAC72	32	88	56	0.18	0.71
MTAC73	53	70	17	0.24	0.56
MTAC74	87	93	6	0.12	0.67



Hole	From (m)	To (m)	Width (m)	Cobalt (%)	Nickel (%)
MTAC75	35	73	38	0.12	0.72
<i>including</i>	40	53	13	0.22	0.59
MTAC76	44	51	7	0.10	0.53
MTAC77	39	56	17	0.21	0.48
<i>including</i>	39	53	14	0.22	0.59
MTAC78	39	45	6	0.18	0.57
MTAC79	9	27	18	0.16	0.54
MTAC80	24	31	7	0.14	0.66
MTAC81	15	40	25	0.15	0.72
MTAC82	23	45	22	0.30	0.64
MTAC83	27	48	21	0.21	0.67
<i>including</i>	32	36	4	0.52	0.87
MTAC84	13	32	19	0.20	0.69
MTAC85	32	37	5	0.10	0.66
MTAC86	40	47	7	0.15	0.73
<i>including</i>	40	44	4	0.22	0.57
MTAC87	40	57	17	0.43	0.65
<i>including</i>	48	52	4	0.86	0.85
MTAC88*	46	50	4	0.09	0.48
MTAC89	18	20	2	0.02	0.51
MTAC90	18	26	8	0.10	0.52
MTAC91	14	22	8	0.10	0.46
MTAC92	25	30	5	0.14	0.77
MTAC93	34	38	4	0.10	0.61
MTAC94*	37	44	7	0.24	0.38
MTAC95	43	46	3	0.17	0.34
MTAC96	37	51	14	0.10	0.59
MTAC97	28	36	8	0.32	0.60
MTAC98	27	29	2	0.07	0.45
MTAC99	23	30	7	0.05	0.57
MTAC100	25	33	8	0.10	0.59
MTAC101	25	35	10	0.16	0.63
MTAC102	23	36	13	0.22	0.82
MTAC103	31	37	6	0.08	0.57
MTAC104*	27	40	13	0.11	0.86
<i>including</i>	31	40	9	0.11	1.12
MTAC105	31	39	8	0.10	0.53
MTAC106	23	43	20	0.17	0.88
<i>including</i>	31	38	7	0.07	1.42
MTAC107	28	45	17	0.14	0.74
<i>including</i>	28	34	6	0.32	0.59
MTAC108	28	34	6	0.34	0.61
MTAC109	25	35	10	0.25	0.41
MTAC110	24	41	17	0.14	0.32
MTAC111	22	43	21	0.19	0.70
<i>including</i>	22	31	9	0.32	0.76
MTAC112	34	37	3	0.13	0.53
MTAC113*	22	23	1	0.11	0.35
MTAC114	38	54	16	0.12	0.72
MTAC115	26	67	41	0.20	0.75

Hole	From (m)	To (m)	Width (m)	Cobalt (%)	Nickel (%)
<i>including</i>	26	33	7	0.24	0.80
<i>and</i>	39	66	27	0.22	0.72
MTAC116	27	42	15	0.58	1.13
MTAC117	37	47	10	0.12	0.65
MTAC118	30	78	48	0.17	0.49
<i>including</i>	69	78	9	0.36	0.64
MTAC119*	35	68	33	0.16	0.43
MTAC120	52	61	9	0.21	0.76
MTAC121	67	76	9	0.26	0.79
MTAC122	35	92	57	0.15	0.62
<i>including</i>	37	53	16	0.30	0.55
MTAC123	24	37	13	0.24	0.95
<i>including</i>	24	32	8	0.34	1.20
MTAC124	32	44	12	0.14	0.58
MTAC125	34	35	1	0.37	0.37
MTAC126	34	47	13	0.13	0.51
MTAC127	35	49	14	0.09	0.52
<i>including</i>	48	49	1	0.30	0.98
MTAC128	40	46	6	0.09	0.59
MTAC129	40	45	5	0.18	0.31
MTAC130	47	61	14	0.14	0.45
MTAC131	36	44	8	0.12	0.55
MTAC132	22	33	11	0.13	0.70
MTAC133	14	36	22	0.21	0.53
<i>including</i>	21	29	8	0.36	0.60
MTAC134	28	73	45	0.16	0.68
<i>including</i>	43	54	11	0.23	0.94
MTAC135	26	31	5	0.08	0.51
MTAC136	15	24	9	0.10	0.47
MTAC137	13	26	13	0.20	0.44
MTAC138	No Significant Intersection				
MTAC139	No Significant Intersection				
MTAC140	26	41	15	0.16	0.69
MTAC141	34	49	15	0.11	0.61
MTAC142	41	43	2	0.11	0.54
MTAC143	35	39	4	0.22	0.65
MTAC144	27	31	4	0.16	0.59
MTAC145	26	36	10	0.07	0.62
<i>including</i>	31	34	3	0.12	0.57
MTAC146	11	25	14	0.18	0.40
MTAC147	15	26	11	0.22	0.54
<i>including</i>	16	23	7	0.32	0.61
MTAC148	22	50	28	0.09	0.49
<i>including</i>	22	30	8	0.14	0.35
MTAC149	23	34	11	0.15	0.54
MTAC150	22	29	7	0.14	0.57
MTAC151	17	33	16	0.06	0.62
MTAC152	16	35	19	0.14	0.71
<i>including</i>	16	23	7	0.23	0.70
MTAC153	10	20	10	0.10	0.69



Table 6: Mt Thirsty Aircore Drill Results continued

Hole	From (m)	To (m)	Width (m)	Cobalt (%)	Nickel (%)
MTAC154	4	10	6	0.07	0.51
MTAC155	29	43	14	0.10	0.55
MTAC156	22	25	3	0.10	0.57
MTAC157*	10	44	34	0.13	0.63
MTAC158	31	47	16	0.12	0.25
MTAC159	33	64	31	0.25	0.92
<i>including</i>	33	53	20	0.35	1.03
MTAC160	32	55	23	0.10	0.59
MTAC161	47	60	13	0.11	0.42
MTAC162*	69	77	8	0.18	0.75
MTAC163	10	44	34	0.20	0.64
MTAC164	0	11	11	0.05	0.62
<i>including</i>	0	2	2	0.13	0.62
MTAC165	8	9	1	0.19	0.36
MTAC166*	28	39	11	0.06	0.56
<i>including</i>	37	38	1	0.19	1.27
MTAC167	33	38	5	0.11	0.78
MTAC168	21	41	20	0.10	0.55
MTAC169	2	3	1	0.14	0.62
MTAC170	27	50	23	0.26	0.55
MTAC171	30	40	10	0.07	0.67
<i>including</i>	34	35	1	0.19	0.82
MTAC172	28	42	14	0.07	0.51
<i>including</i>	40	41	1	0.27	0.65
MTAC173	24	40	16	0.17	0.80
MTAC174	29	38	9	0.20	0.31
MTAC175*	38	50	12	0.17	1.00
<i>including</i>	40	50	10	0.18	1.05
MTAC176*	22	68	46	0.11	0.52
MTAC177	19	56	37	0.11	0.58
MTAC178	18	28	10	0.15	0.54
MTAC179*	10	32	22	0.21	0.74
MTAC180	11	21	10	0.10	0.67
MTAC181	No Significant Intersection				
MTAC182	23	38	15	0.14	0.76
MTAC183	24	36	12	0.08	0.56
MTAC184	21	27	6	0.10	0.67
MTAC185	19	33	14	0.06	0.57
MTAC186	22	29	7	0.11	0.70
MTAC187	4	25	21	0.08	0.55
MTAC188	21	24	3	0.10	0.40

Hole	From (m)	To (m)	Width (m)	Cobalt (%)	Nickel (%)
MTAC189*	14	18	4	0.13	0.57
MTAC190	14	18	4	0.10	0.40
MTAC191	No Significant Intersection				
MTAC192	No Significant Intersection				
MTAC193	No Significant Intersection				
MTAC194	No Significant Intersection				
MTAC195	10	17	7	0.16	0.36
MTAC196	8	21	13	0.07	0.54
<i>including</i>	16	17	1	0.14	0.79
MTAC197	3	5	2	0.15	0.33
	14	17	3	0.10	0.42
MTAC198	19	23	4	0.09	0.72
MTAC199*	25	35	10	0.13	0.67
MTAC200	30	33	3	0.10	0.65
MTAC201	29	42	13	0.06	0.71
<i>including</i>	33	35	2	0.09	0.89
MTAC202	33	38	5	0.08	0.65
MTAC203*	26	38	12	0.10	0.72
MTAC204	39	42	3	0.14	0.39
MTAC205	27	41	14	0.10	0.59
MTAC206	33	42	9	0.14	0.43
MTAC207	6	27	21	0.11	0.55
MTAC208	19	22	3	0.24	0.68
MTAC209	9	20	11	0.07	0.77
MTAC210	13	17	4	0.07	0.45
MTAC211	9	23	14	0.07	0.55
MTAC212	17	18	1	0.09	0.41
MTAC213	28	39	11	0.23	0.59
MTAC214	33	44	11	0.14	0.57
MTAC215*	29	35	6	0.10	0.64
MTAC216	30	46	16	0.09	0.51
MTAC217	26	34	8	0.21	0.61
MTAC218	26	43	17	0.11	0.52
<i>including</i>	26	29	3	0.28	0.54
MTAC219*	47	68	21	0.14	0.54
<i>including</i>	47	54	7	0.22	0.58
MTAC220	45	51	6	0.21	0.58
MTAC221	45	55	10	0.10	0.49

Note: *Denotes holes that end in mineralisation.

RIVERINA PROJECT

Barra 30%

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

Joint venture partner and manager RRPL earned a 70% equity in the project in June 2006 after reaching an expenditure threshold of \$2.0 million.

The Riverina Project contains significant gold resources totalling 1.7 million tonnes grading 3.7g/t gold for 200,000 ounces. The Martins Zone Nickel Laterite Deposit contains 837,800 tonnes grading 1.32% nickel and 0.09% cobalt for 11,000 tonnes of nickel and 780 tonnes of cobalt. At Martins Zone, RC and diamond drilling has intersected high grade re-mobilised massive nickel sulphides rendering the area highly prospective for nickel sulphide mineralisation.

GOLD EXPLORATION

During the year, RRPL completed 38 RC holes for 3,603 metres testing the Murchison Lode, Silver Tongue and Fred's Lode gold prospects (Figure 7).

At Murchison Lode, drilling successfully extended mineralisation to the north, while at Silver Tongue drilling successfully identified two mineralised structures in close proximity to the known resource capable of hosting high grade gold shoots. At Fred's Lode RC drilling was undertaken to test a 750 metre long RAB drilling regolith anomaly. Results were encouraging with the identification of three new mineralised structures.

Best gold intersections returned from the year's drilling include:

Width (m)	Gold (g/t)	From (m)	Hole
44 @	1.20	32	GRVRC30
5 @	8.53	12	GRVRC34
8 @	3.83	67	GRVRC38
8 @	2.16	78	GRST38
3 @	11.46	7	GFIRC6
12 @	2.46	50	GFIRC14

All results are presented in Tables 7 to 9.

Following the completion of drilling, a complete resource calculation incorporating all existing drill data was undertaken for all gold deposits at Riverina. The resource figures comprise 1,514,035 tonnes grading 3.46g/t in the indicated category and 179,137 tonnes grading 5.59g/t gold in the inferred category for a total of 1,693,173 tonnes grading 3.68g/t for 200,540 ounces of gold.

Table 7: Murchison Lode RC Drill Results

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
GRVRC29	34	65	31	1.47
including	40	43	3	1.48
and	47	48	1	10.64
and	53	54	1	10.33
and	63	65	2	6.18
GRVRC30	25	26	1	1.01
	32	76	44	1.20
including	36	37	1	12.98
and	44	47	3	5.90
and	74	76	2	2.98
GRVRC31	10	14	4	4.53
including	13	14	1	15.84
	23	24	1	1.09
	38	39	1	1.06
	43	47	4	1.48
GRVRC32	49	51	2	2.85
	59	60	1	1.59
	78	80	2	9.47
	86	87	1	1.20
GRVRC33	14	16	2	11.19

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
GRVRC34	12	17	5	8.53
including	14	15	1	36.09
	29	30	1	4.90
	38	39	1	1.03
	60	63	3	1.62
	79	80	1	8.02
GRVRC35	13	15	2	2.74
	22	23	1	1.73
	55	59	4	1.06
GRVRC36	12	22	10	2.18
	25	26	1	1.71
GRVRC37	14	19	5	1.07
GRVRC38	16	20	4	2.02
	26	27	1	1.46
	57	58	1	1.05
	67	75	8	3.83
including	67	68	1	12.82
and	72	73	1	10.23
	84	85	1	1.73
GRVRC39	16	19	3	3.88



JORC compliant gold resources increase to over 200,000 ounces.

Table 7: Murchison Lode RC Drill Results continued

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
	35	38	3	1.52
	58	68	10	1.57
GRVRC40	25	31	6	2.27
	34	35	1	1.63
	42	43	1	1.21
	69	70	1	1.06
	74	78	4	1.52
	93	98	5	1.14
GRVRC41	53	54	1	1.48
	79	84	5	2.28
	90	91	1	2.21
GRVRC42	37	41	4	5.06
	48	49	1	1.21
	64	66	2	1.05
	79	80	1	12.89

Table 8: Silver Tongue RC Drill Results

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
GRST38	54	56	2	1.32
	78	86	8	2.16
GRST39	97	101	4	0.98
	111	112	1	1.07
GRST40	68	69	1	1.14
GRST41	76	78	2	1.35
	86	87	1	1.70
GRST42		No Significant Assays		
GRST43		No Significant Assays		
GRST44	73	80	7	1.47
GRST45	39	43	4	1.48
	53	55	2	2.32

Table 9: Fred's Lode RC Drill Results

Hole	From (m)	To (m)	Width (m)	Gold (g/t)
GFLRC1	19	20	1	1.01
	26	27	1	1.54
	40	41	1	1.02
	45	48	3	1.10
	81	82	1	2.25
	95	98	3	1.36
GFLRC2	65	66	1	2.12
	83	84	1	6.99
GFLRC3	81	85	4	4.63
GFLRC4	32	33	1	2.97
	44	45	1	1.40
	91	92	1	1.36
GFLRC5	47	48	1	1.41
	56	58	2	1.80
	90	91	1	1.08
	92	93	1	1.28
GFLRC6	7	10	3	11.46
	56	57	1	1.70
	82	85	3	1.30
	98	99	1	3.34
GFLRC7	85	87	2	5.40
GFLRC8	63	64	1	1.34
GFLRC9	24	25	1	1.51
	59	60	1	1.91
GFLRC10	74	75	1	8.61
	97	98	1	1.47
GFLRC11		No Significant Assays		
GFLRC12	76	77	1	1.20
GFLRC13	35	36	1	1.53
GFLRC14	42	43	1	1.89
	50	62	12	2.46
<i>including</i>	59	62	3	5.36
	90	91	1	14.93
GFLRC15	24	25	1	1.55
	57	62	5	2.08
GFLRC16		No Significant Assays		

nickel exploration

Persistent quality exploration continues to improve nickel potential at Riverina.



NICKEL EXPLORATION

Martins Zone Nickel Laterite

Following on from earlier RAB drilling in 2005/2006 by RRPL, 72 RC holes for 3,566 metres were completed over the Martins Zone ultramafic unit to convert the RAB defined Nickel Laterite Target to a JORC compliant resource.

The drilling successfully defined 2,195,850 tonnes grading 1.01% nickel and 0.06% cobalt at a 0.7% lower nickel cut-off. Using a 1.0% lower nickel grade cut-off the Martins Zone Nickel Laterite Deposit contains 837,820 tonnes grading 1.32% nickel and 0.09% cobalt for 11,084 tonnes of nickel and 776 tonnes of cobalt.

Best results include:

Width (m)	Nickel (%)	Cobalt (%)	From (m)	Hole
10 @	2.63	0.13	15	GNLRC10
22 @	1.05	0.04	20	GNLRC28
29 @	1.13	0.06	13	GNLRC34
33 @	1.27	0.09	9	GNLRC40
30 @	1.12	0.09	16	GNLRC61
33 @	1.03	0.10	17	GNLRC69

All results are presented in **Table 10**.

Mineralisation remains open to the west with some potential to the south. Column leach metallurgical test-work has been successful and a number of development options for the project are under consideration.

Table 10: Martins Zone Nickel Laterite RC Drill Results

Hole	From (m)	To (m)	Width (m)	Nickel (%)	Cobalt (%)	
GNLRC9	6	9	3	0.84	0.16	
	17	19	2	1.15	0.05	
	39	47	8	1.97	0.05	
GNLRC10	6	11	5	0.95	0.13	
	15	25	10	2.63	0.13	
	31	37	6	0.91	0.04	
GNLRC11	5	15	10	1.31	0.27	
	GNLRC12	4	8	4	0.86	0.07
		36	37	1	0.76	0.04
GNLRC13	42	43	1	1.17	0.04	
	8	14	6	0.76	0.04	
	20	21	1	0.75	0.09	
GNLRC14	12	32	20	0.85	0.11	
	GNLRC15 No Significant Intersections					
GNLRC16 No Significant Intersections						
GNLRC17 No Significant Intersections						
GNLRC18	26	27	1	0.91	0.22	
	GNLRC19 No Significant Intersections					
GNLRC20 No Significant Intersections						
GNLRC21	5	10	5	0.84	0.02	
	14	30	16	1.00	0.02	
	37	38	1	1.14	0.05	
GNLRC22	16	21	5	1.73	0.08	
	43	48	5	0.90	0.05	
GNLRC23	12	19	7	0.83	0.01	
	GNLRC24 No Significant Intersections					
GNLRC25 No Significant Intersections						
GNLRC26	15	16	1	0.73	0.03	
	GNLRC27 No Significant Intersections					
GNLRC28	20	42	22	1.05	0.04	
	GNLRC29	16	23	7	1.11	0.07
GNLRC30		38	39	1	0.73	0.04
	42	43	1	0.90	0.09	
	46	47	1	0.77	0.07	
	16	21	5	1.14	0.07	
GNLRC31	39	44	5	0.73	0.05	
	16	21	5	1.06	0.10	
GNLRC32	35	40	5	0.88	0.04	
	15	27	12	1.32	0.10	
	34	37	3	0.92	0.19	
GNLRC33	45	46	1	0.76	0.06	
	22	45	23	1.04	0.06	
GNLRC34	13	42	29	1.13	0.06	
	45	47	2	0.80	0.04	
GNLRC35	13	36	23	0.76	0.03	
	43	44	1	0.83	0.03	
GNLRC36 No Significant Intersections						
GNLRC37	3	10	7	1.32	0.03	
	33	50	17	0.80	0.07	
GNLRC38	4	13	9	1.03	0.13	



Table 10: Martins Zone Nickel Laterite RC Drill Results continued

Hole	From (m)	To (m)	Width (m)	Nickel (%)	Cobalt (%)
	32	34	2	0.83	0.02
	41	42	1	1.00	0.03
GNLRC39	1	2	1	0.75	0.04
	6	17	11	0.80	0.04
GNLRC40	9	42	33	1.27	0.09
GNLRC41	10	13	3	0.90	0.04
	17	34	17	1.22	0.13
GNLRC42	5	6	1	1.05	0.17
	19	34	15	1.30	0.10
GNLRC43	5	23	18	0.71	0.05
GNLRC44	15	17	2	0.82	0.02
GNLRC45	No Significant Intersections				
GNLRC46	9	15	6	0.73	0.03
	20	23	3	0.71	0.02
	26	28	2	0.76	0.06
GNLRC47	7	11	4	1.13	0.07
	14	15	1	0.74	0.06
	23	25	2	0.89	0.03
GNLRC48	7	10	3	0.78	0.05
	14	18	4	0.91	0.04
	38	42	4	1.05	0.07
GNLRC49	No Significant Intersections				
GNLRC50	10	36	26	0.84	0.03
including	24	33	9	1.12	0.03
GNLRC51	7	14	7	1.36	0.09
	22	35	13	0.91	0.02
GNLRC52	7	11	4	0.74	0.04
GNLRC53	11	13	2	0.88	0.03
	21	27	6	0.73	0.02
	31	42	11	0.87	0.04
GNLRC54	No Significant Intersections				
GNLRC55	36	37	1	1.26	0.06
GNLRC56	6	40	34	0.89	0.02
including	14	29	15	1.13	0.01
GNLRC57	8	40	32	1.00	0.02
	46	50	4	0.89	0.03
GNLRC58	6	10	4	0.88	0.02
	27	38	11	0.76	0.02
GNLRC59	3	6	3	0.77	0.02
	17	41	24	0.94	0.05
GNLRC60	11	39	28	0.81	0.06
GNLRC61	16	46	30	1.12	0.09
including	23	39	16	1.39	0.12
GNLRC62	10	31	21	1.21	0.05
	37	45	8	2.02	0.08
GNLRC63	2	26	24	0.93	0.07
including	2	12	10	1.25	0.15

Hole	From (m)	To (m)	Width (m)	Nickel (%)	Cobalt (%)
	31	33	2	1.11	0.24
GNLRC64	2	17	15	0.94	0.15
	23	33	10	0.96	0.08
GNLRC65	8	26	18	0.92	0.11
GNLRC65	34	40	6	1.15	0.06
GNLRC66	10	19	9	0.82	0.08
	25	27	2	1.46	0.04
	32	44	12	0.79	0.06
GNLRC67	15	28	13	1.05	0.12
including	15	20	5	1.45	0.25
GNLRC68	12	14	2	0.80	0.03
	19	48	29	0.88	0.03
including	20	26	6	1.14	0.02
GNLRC69	17	50	33	1.03	0.10
including	20	37	17	1.22	0.14
GNLRC70	20	49	29	0.81	0.07
including	27	32	5	1.29	0.12
GNLRC71	16	36	20	0.84	0.05
	43	50	7	0.80	0.04
GNLRC72	31	42	11	0.99	0.06
including	36	42	6	1.29	0.09
	49	50	1	0.81	0.03
GNLRC73	20	22	2	0.84	0.04
	29	42	13	0.86	0.04
GNLRC74	17	23	6	0.92	0.04
	46	50	4	1.08	0.04
GNLRC75	45	50	5	0.85	0.05
GNLRC76	35	43	8	0.87	0.03
GNLRC77	9	43	34	0.84	0.04
GNLRC78	5	10	5	1.22	0.02
	26	37	11	1.59	0.01
GNLRC79	10	27	17	0.78	0.03
GNLRC80	38	43	5	0.70	0.02



Martins Zone Nickel Sulphide

From early 2005 to late 2006 exploration focussing on Martins Zone demonstrated the Riverina Project area to be a "fertile" environment for the discovery of massive nickel sulphide deposits. The exploration highlight during this period was the discovery of re-mobilised massive nickel sulphides in 2 RC holes and 4 diamond drill holes to a vertical depth of approximately 200 metres.

Better intersections from previous drilling include:

Width (m)	Nickel (%)	From (m)	Hole
2.0	@ 2.80	152.0	GNRC28
2.0	@ 2.16	64.0	GNRC31
1.1	@ 2.28	181.0	GNDD1
0.4	@10.88	250.8	GNDD4

Early in 2007 a major review of all lithological, geochemical, geophysical and structural data was undertaken. The comprehensive study identified a potential steep northerly plunging lava channel that remains to be drill tested at depth.

Riverina Project - The Future

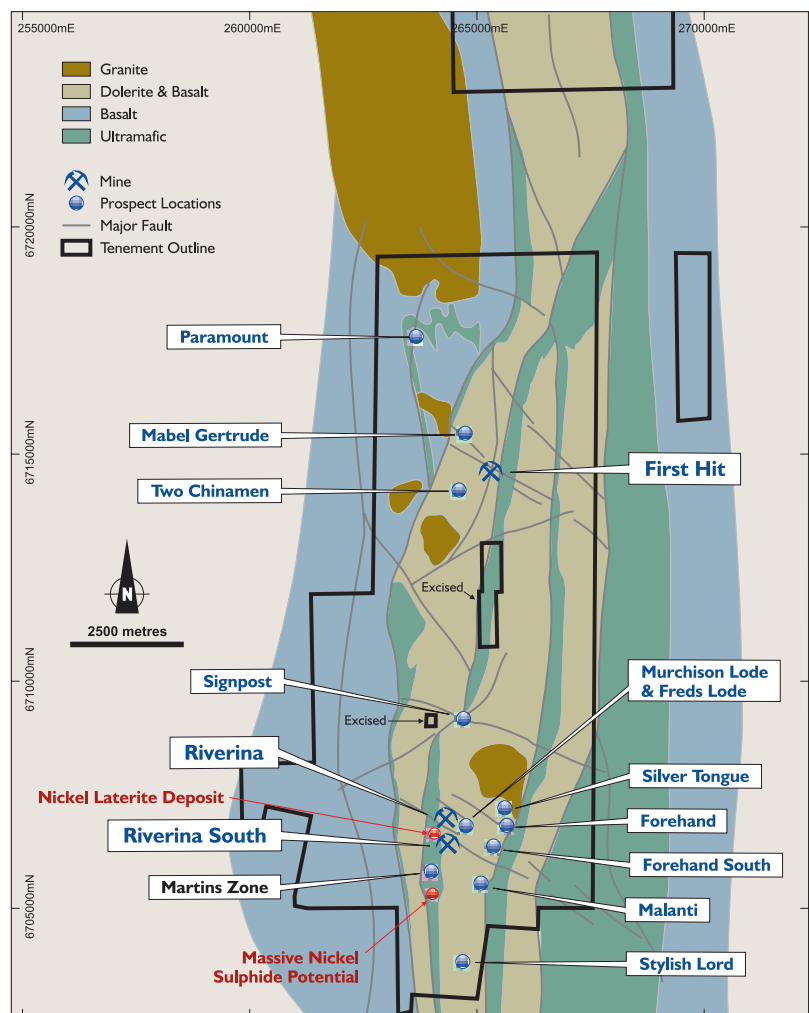
In late 2006 RRPL expressed a desire to concentrate its exploration focus on developing the Martins Zone Nickel Laterite Deposit. In early 2007 RRPL and Barra commenced negotiations to joint venture the Riverina Project gold assets and nickel sulphide potential.

August 2007 Monarch Gold ("Monarch") acquired the rights to gold on the Project tenements for 15 million ordinary Monarch shares and 5 million options. Barra's equity being 30%. Monarch operate the adjoining

Davyhurst Project and will utilise the Davyhurst Mill to treat Riverina ore.

Negotiations are currently at an advanced stage with a major Australian nickel producer to joint venture into the nickel sulphide potential.

Figure 7: Riverina Gold and Nickel Prospects Location Plan and Simplified Geology



PHILLIPS FIND PROJECT

Barra 100%

The Company ranks the Phillips Find Mining Centre high on its list of exploration priorities and believe it represents a future cash flow opportunity.



The Phillips Find Project is located some 50 kilometres north of Coolgardie. The tenement package contains the Phillips Find Mining Centre where 40,000 ounces of gold has been mined predominantly from two open pits; Bacchus Gift and Newhaven with minor historical underground production. The Newminster Prospect, within the Phillips Find Mining Centre, currently hosts an indicated and inferred resource of 28,500 tonnes grading 4.6g/t gold for 4,200 ounces to 40 metres depth.

Regionally, the Phillips Find Mining Centre is located at the intersection of several major gold producing structures. Controls on gold mineralisation are both lithologically and structurally complex.

Alteration is intense throughout the mineralising system. Open pit mining is relatively shallow at 50 metres depth below surface. Previous drilling to over 100 metres depth clearly indicates gold mineralisation continues at depth.

Barra's approach to Burbanks has been applied to the Phillips Find Mining Centre. Careful research, structural mapping and computer generated three dimensional modelling has been undertaken to unravel the structural complexity. Diamond drilling programs have been designed to obtain additional geological and structural data to assist with further definition of the structural model. This will facilitate a reinterpretation of the entire Phillips Find

Mining Centre potentially unlocking additional resource ounces through better geological understanding, similar to the results achieved at Burbanks, potentially resulting in new underground mining opportunities.

QUINN HILLS PROJECT

Barra 100%

Recent work has enhanced the potential of the Project, generating a number of exciting exploration opportunities.



The Quinn Hills Project is located at the northern extremity of the Mt Ida greenstone belt, approximately 200 kilometres north of Coolgardie.

Gold mining at Quinn Hills has spanned a period of some 97 years commencing in 1899 with production from historic underground mining and recent small open pits totalling 13,500 ounces.

The Project is centred on the northern limits of the Zuleika Shear Zone which controls over 15 million ounces of past production and present resources along a 300 kilometre strike. The Project covers 40 strike kilometres of the Zuleika Shear beneath thin sand cover which has only been partly explored.

Barra completed a major review of the project following the withdrawal from a joint venture with Sipa Resources Pty Ltd

("Sipa"). Sipa focussed its main efforts on regional exploration programs testing geochemical anomalies along strike from the existing open pits.

Barra's review process highlighted several key areas of interest including the old historic Quinn Hills mine located within the southern portion of the project area. Previous diamond and RC drilling under the old workings, which have a strike length in excess of 300 metres, intersected significant gold mineralisation both near surface and at depth to 120 metres.

Results included:

Width (m)		Gold (g/t)
11	@	13.9
7	@	4.5
6	@	5.6
5	@	6.5

Initial interpretation suggests several steep dipping sub-parallel lodes exist with the potential to host between 100,000 and 200,000 ounces of gold within the top 150 metres. This would rate similarly to the historical high grade Timoni Mine, 7 kilometres to the southwest, which had past production of 250,000 ounces of gold and recent discoveries comprising 100,000 ounces of gold.

tenements

Project	Tenement	Subject To	Project	Tenement	Subject To
Burbanks 100%	M15/161		Riverina 30%	E30/77	ELA30/333
				E30/165	ELA30/333
				E30/238	ELA30/332
Phillips Find 100%	M16/130			E30/239	ELA30/333
	M16/133			E30/283	
	M16/168			M30/16	
	M16/171			M30/43	
	M16/242			M30/60	
	M16/258			M30/84	
	P16/1261	PLA16/2390		M30/91	
	P16/1262	PLA16/2391		M30/97	
	P16/1263	PLA16/2392		M30/98	
	P16/1264	PLA16/2393		M30/99	
	P16/1268	PLA16/2394		M30/118	
	P16/1401	PLA16/2395		M30/127	
	P16/1469	PLA16/2396		M30/133	
	P16/1471	PLA16/2397		M30/157	
	P16/1329	PLA16/2399		M30/178	
	P16/1496	PLA16/2400		M30/182	
	P16/1482	PLA16/2398		P30/839	PLA30/1019
	P16/1488	PLA16/2403		P30/840	PLA30/1020
	P16/1493	PLA16/2404		P30/869	PLA30/1021
	P16/1494	PLA16/2405		P30/894	PLA30/1022
	P16/1495	PLA16/2406		P30/914	PLA30/1029
	P16/1489	PLA16/2401		P30/915	PLA30/1030
	P16/1490	PLA16/2402		P30/916	PLA30/1031
	P16/1702	PLA16/2408		P30/917	PLA30/1032
	P16/1730	PLA16/2407		P30/918	PLA30/1033
	P16/1753	PLA16/2323		P30/919	PLA30/1034
	P16/2028	PLA16/2409		P30/920	PLA30/1025
	P16/2068	PLA16/2410		P30/921	PLA30/1026
				P30/922	PLA30/1027
Quinn Hills 100%	E29/329	ELA29/649 PLA29/1920		P30/923	PLA30/1028
	E29/331	ELA29/648 PLA29/1919 PLA29/1921		P30/924	PLA30/1023
	E29/489			P30/926	PLA30/1024
	E29/492			P30/932	PLA30/1035
	E29/493			P30/933	PLA30/1036
	E29/494			P30/985	
	M29/36	Option to acquire 100%		P30/986	
	M29/37	Option to acquire 100%		P30/1006	
	M29/65			P30/1007	
	P29/1642	Option to acquire 100%		P30/1008	

Project	Tenement	Subject To
Mt Thirsty Earning 50%	E63/366	ELA63/1113
		PLA63/1492
		PLA63/1493
		PLA63/1494
		PLA63/1495
	E63/373	ELA63/1113
		PLA63/1502
	P63/759	PLA63/1502
	M63/379	ELA63/1113
		PLA63/1496
PLA63/1497		
PLA63/1498		
PLA63/1499		
M63/380	ELA63/1113	
	PLA63/1499	
	PLA63/1500	
	PLA63/1501	
M63/385	ELA63/1113	
	PLA63/1490	
	PLA63/1491	

Note: Subject To tenements are reversion applications pursuant to section 120AA for Prospecting Licences and section 56B for Exploration Licences of the WA Mining Act 1978 (as amended)

financial report

FOR THE YEAR ENDED 30 JUNE 2007

BARRA RESOURCES LIMITED

ABN 76-093 396 859



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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 2007. 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

(51 years)

BEd (Hons)

Non-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 24 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. He is currently a consultant to Western Australian investment bank and corporate advisory firm Argonaut Capital Limited.

DEAN BARRY GOODWIN

(43 years)

B(App) Sc., MAIG

Managing Director

Appointed 24 September 2004

Mr Goodwin graduated from Curtin University in 1986 with a Bachelor of Applied Science (Geology). He spent 6 years with Western Mining Corporation Ltd in the capacity of exploration geologist. He was involved in the discovery of the Intrepid, Redoubtable and Santa Anna gold deposits under Lake Lefroy and worked closely with the nickel exploration team. In 1994 he joined Resolute Ltd as Senior Exploration Geologist spending 5 years in Kalgoorlie managing exploration for Chalice, Higginsville, Bullabulling and Bulong Projects. In 1999, Mr Goodwin was appointed Senior Exploration Geologist with LionOre Limited at the Bounty Gold Mine operations where he was responsible for the discovery of several auxiliary gold deposits.

Prior to joining Barra Resources as Managing Director he worked as an independent contract geologist exploring for nickel sulphides throughout Western Australia. Mr Goodwin's enthusiasm combined with his gold and nickel exploration expertise has significantly contributed to recent developments.

GRANT JONATHAN MOONEY

(40 years)

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.

Currently, Mr Mooney acts as Company Secretary to several ASX listed companies across a variety of industries including technology, resources and energy and has obtained a depth of experience through his involvement in a diversity of corporate transactions. Mr Mooney is a member of the Institute of Chartered Accountants in Australia.

ROBERT GEORGE COLVILLE

(60 years – Resigned 25 July 2007)

ARMIT (Geology), MAusIMM

Non-Executive Director

Appointed 16 October 2000

Mr Colville has over 34 years exploration experience, holding senior and executive positions with Geopeko Limited, Newmont Holdings Pty Ltd, Jones Mining NL, Julia Mines NL, Normandy Mining Limited and Barmenco Limited.

He was privileged to be part of successful exploration teams at Ranger in the Northern Territory and at Davyhurst, Goongarrie and Two Boys within the Eastern Goldfields. Whilst with Newmont, Mr Colville was credited with the discovery of the New Celebration Gold Mine.

Mr Colville brought extensive exploration and mine development experience to the Board.

The above-named Directors held office during and since the end of the financial year except for Mr Robert George Corville who resigned from the board on 25 July 2007.

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	NiQuest Ltd	May 2003 to November 2005

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:

	ORDINARY SHARES	OPTIONS (UNLISTED)
Gary Berrell	500,000	500,000
Dean Goodwin	1,550,000	3,000,000
Grant Jonathan Mooney	1,017,350	-

Principal Activities

The Company's principal activity is gold, nickel and cobalt exploration and production. The Company commenced underground mining operations at Burbanks in July 2006.

Operating Results

The loss from ordinary activities after income tax of the Company for the year ended 30 June 2007 was \$6,215,529 (2006: \$967,954).

Review of Operations

The following activities were undertaken by the Company during the financial year ended 30 June 2007:

- Exploration drilling and mine development and production of 26,500 ounces of gold at Burbanks Project in Eastern Goldfields, Western Australia.
- Option Agreement completed with Select Minerals Pty Ltd over the Mt Thirsty cobalt-nickel project.
- Farm-in exploration drilling at Mt Thirsty Project in Eastern Goldfields, Western Australia.
- Joint Venture exploration drilling of gold and nickel targets at Riverina Project in Eastern Goldfields, Western Australia.
- Exploration studies at Phillips Find Project in Eastern Goldfields, Western Australia.
- Exploration studies at Quinn Hills Project in Eastern Goldfields, Western Australia.
- Exercise of 23,214,028 listed options in August 2006 raising \$4,642,806 for working capital.
- On 21 July 2006, the Company converted 12,000,000 Converting Notes into 12,000,000 fully paid shares at 25 cents per share to raise gross proceeds of \$3,000,000.

Significant Changes in the State of Affairs

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

Directors' Report

Significant Events Subsequent to End of Year

- On 30 July 2007, the Company announced the results of an independent in-situ resource estimation of the Mt Thirsty cobalt-nickel deposit in which Barra is to participate equally with Select Minerals Pty Ltd in the project. Independent mining and geological consulting firm Golder Associates Pty Ltd has estimated an indicated and inferred resource of 20,970,000 tonnes grading 0.14% cobalt, 0.62% Nickel and 1.01% Manganese.
- On 6 August 2007, the Company announced that Monarch Gold Mining Company Ltd had acquired the gold interests from the Riverina Joint Venture of which the Company has a 30% interest. Monarch has acquired the gold tenements under a deal that will involve 15 million ordinary Monarch shares, and 5 million options split proportionally between the Joint Venture parties. The Riverina Joint Venture will retain rights for nickel exploration on the tenements.
- On 20 September 2007, the Company entered into a Letter Agreement with Barmenco Limited (now assigned to FMR Investments Pty Ltd (FMR)) and Higginsville Mining Pty Ltd to resolve outstanding mine contracting, drilling and milling charges totalling \$14.26 million as set out below:
 - i. Payment of \$3 million upon completion of a capital raising.
 - ii. \$3.96 million to be deferred for payment in 12 months.
 - iii. Transfer to FMR of the Burbanks stockpile of approximately 74,000 tonnes estimated at 2.98 grams per tonne valued at \$3.3 million after milling and haulage charges (assuming gold price of AUD800 per ounce).
 - iv. Issue of 8 million shares and 4 million attaching unlisted options (options being subject to shareholder approval) exercisable at 65 cents each within 3 years of issue at a deemed issue price of 50 cents per share.
- Mr Robert Colville, a Non-Executive Director of the Company, resigned from the Board on 25 July 2007.

Future Developments

Information as to the likely developments in the operations of the Company and the expected results of those operations in subsequent financial years has not been included in this report because, in the opinion of the Directors, it would prejudice the interests of the Company.

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.

Share Options

During the financial year and to the date of this report there were no options issued to Directors and Executives.

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

NUMBER OF SHARES UNDER OPTIONS	EXERCISE PRICE	EXPIRY DATE
1,500,000	15 cents	30 November 2007
1,500,000	20 cents	30 November 2007
500,000	20 cents	6 December 2008

2,850,000 shares were issued as a result of the exercise of options during the financial year and up to the date of this report.

Indemnifying Officer 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 a liability incurred as such a Director, Secretary or Executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and 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' Report

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.

Directors' Meetings

There were 5 Directors' meetings held during the financial year ended 30 June 2007. 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	5	5
Dean Goodwin	5	5
Grant Jonathan Mooney	5	5
Robert George Colville (Resigned 25 July 2007)	5	5

There were also 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

This report details the amount and nature of remuneration of each Director of the Company. Other than Directors, there were no Executive officers of the Company during the year.

Remuneration Policy

The remuneration policy is to provide a fixed remuneration component 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 Director objectives with shareholder and business objectives. At this point in the Company's development the Board does not believe it is appropriate to link Director and Executive officers' remuneration with company performance.

The remuneration policy in regards to settling terms and conditions for the 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.

Directors receive a superannuation guarantee contribution required by the Government, which is currently 9% 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 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 annually, based on market practices, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company.

Directors' Report

Remuneration Report - Continued

Details of remuneration provided to Directors and specified Executives during the financial year are as follows:

		SHORT-TERM EMPLOYEE BENEFITS		POST- EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	TOTAL \$
		SALARY & FEES \$	BONUS \$	SUPER- ANNUATION \$	OPTIONS \$	
DIRECTORS						
Gary Berrell	2007	40,000	-	3,600	-	43,600
	2006	40,000	-	3,600	54,125	97,725
Dean Goodwin	2007	218,185	40,000	18,737	17,865	294,787
	2006	201,388	-	17,225	83,742	302,355
Robert George Colville	2007	19,000	-	17,350	-	36,350
	2006	19,000	-	18,070	-	37,070
Grant Jonathan Mooney (Secretarial & Directors' Fees)	2007	78,067	-	-	-	78,067
	2006	84,500	-	-	-	84,500
TOTAL	2007	355,252	40,000	39,687	17,865	452,804
TOTAL	2006	344,888	-	38,895	137,867	521,650

Secretarial services includes fees paid to related parties of the Directors.

Mr Dean Goodwin was granted a cash bonus of \$40,000 (100% of bonus) on 1 December 2006. The bonus was given, based on performance for the significant exploration progress made at the Burbanks Gold Project.

Options granted in 2006 vested in full in that year.

During the year ending 30 June 2005 a total of 4,500,000 options were issued to a Director, Mr Dean Goodwin, in accordance with the Notice of Annual General Meeting dated 24 November 2004. An estimated average value of \$289,000 was calculated at the date granted using a Black-Scholes Options price model with the following assumptions:

- Interest rate 5%;
- Dividend yield of nil;
- Current underlying share price of \$0.06 cents; and
- Volatility rate of 300%.

The remaining 3,000,000 options issued in prior years have the following vesting dates:

OPTIONS	VESTING DATES	EXPIRY DATE
1,500,000	1 December 2005	30 November 2007
1,500,000	1 December 2006	30 November 2007

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.

Directors' Report

Remuneration Report - Continued

Value of options issued to Directors

The following table discloses the value of options granted, exercised or lapsed during the year:

	OPTIONS GRANTED VALUED AT GRANT DATE \$	OPTIONS EXERCISED VALUED AT EXERCISE DATE \$	OPTIONS LAPSED \$	TOTAL VALUE OF OPTIONS GRANTED, EXERCISED AND LAPSED \$	VALUE OF OPTIONS INCLUDED IN REMUNERATION FOR THE YEAR \$	PERCENTAGE OF TOTAL REMUNERATION FOR THE YEAR THAT CONSISTS OF OPTIONS %
G Berrell	-	-	-	-	-	Nil
D Goodwin	-	-	-	-	17,865	6.06

Non Audit Services

The Directors are satisfied that the provision of non audit services, during the year, by the auditor Deloitte Touche Tohmatsu, is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

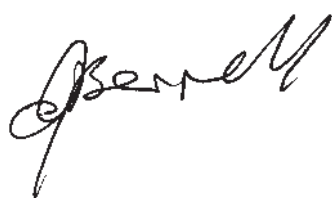
Details of amounts paid or payable to the auditor for non audit services provided during the year by the auditor are outlined in note 7 to the financial statements.

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 39.

Signed on 27th September 2007 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



DEAN GOODWIN
Managing Director

Auditor's Independence Declaration

Deloitte

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The Board of Directors
Barra Resources Ltd
Level 3, 33 Richardson St
West Perth WA 6005

27 September 2007

Dear Directors

Auditor's independence declaration to Barra Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Barra Resources Limited.

As lead audit partner for the audit of the financial statements of Barra Resources Limited for the financial year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Rosa Jernon

Rosa Jernon
Partner
Chartered Accountant

Member of
Deloitte Touche Tohmatsu

Entity limited by a scheme approved under Professional Standards legislation

Balance Sheet

as at 30 June 2007

	NOTE	30 JUNE 2007 \$	30 JUNE 2006 \$
CURRENT ASSETS			
Cash and cash equivalents	8	3,811,232	2,928,503
Trade and other receivables	9	1,086,907	183,681
Inventory	10	1,666,756	-
Other	11	27,680	9,433
TOTAL CURRENT ASSETS		<u>6,592,575</u>	<u>3,121,617</u>
NON CURRENT ASSETS			
Financial assets	12	255,092	255,092
Property, plant and equipment	13	89,790	85,202
Exploration, evaluation and development expenditure	14	16,871,373	10,367,137
TOTAL NON CURRENT ASSETS		<u>17,216,255</u>	<u>10,707,431</u>
TOTAL ASSETS		<u>23,808,830</u>	<u>13,829,048</u>
CURRENT LIABILITIES			
Trade and other payables	15	12,704,930	1,271,571
Provisions	16	145,275	128,540
TOTAL CURRENT LIABILITIES		<u>12,850,205</u>	<u>1,400,111</u>
TOTAL LIABILITIES		<u>12,850,205</u>	<u>1,400,111</u>
NET ASSETS		<u>10,958,625</u>	<u>12,428,937</u>
EQUITY			
Issued capital	17	25,360,528	17,783,176
Converting notes	18	-	2,850,000
Share option reserve	19	239,625	221,760
Accumulated losses	20	(14,641,528)	(8,425,999)
TOTAL EQUITY		<u>10,958,625</u>	<u>12,428,937</u>

The accompanying notes form part of these financial statements.

Income Statement

for the Year Ended 30 June 2007

	NOTE	30 JUNE 2007 \$	30 JUNE 2006 \$
Sales	3	14,553,471	-
Other revenues from ordinary activities		151,468	60,834
Total Revenue	3	14,704,939	60,834
Mine operating expenses		(19,846,547)	-
Exploration costs written off	4	(8,480)	-
Employee benefits expense		(546,422)	(557,642)
Depreciation expense	4	(38,173)	(11,159)
Consulting expenses		(175,966)	(183,478)
Rental expenses	4	(53,806)	(49,875)
Administration expenses		(214,887)	(190,968)
Other expenses from ordinary activities		(36,187)	(35,666)
Loss before income tax expense		(6,215,529)	(967,954)
Income tax expense	5	-	-
Loss after related income tax expense		(6,215,529)	(967,954)
Basic loss per share (cents per share)	25	3.53 cents	0.72 cents
Diluted loss per share (cents per share)	25	3.53 cents	0.72 cents

The accompanying notes form part of these financial statements.

Cash Flow Statement

for the Year Ended 30 June 2007

	NOTE	30 JUNE 2007 \$	30 JUNE 2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers		14,553,471	-
Interest received		142,908	60,834
Payments to trade creditors, other creditors and employees		(16,102,146)	(827,322)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	21	<u>(1,405,767)</u>	<u>(766,488)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(42,761)	(70,844)
Payments for exploration, evaluation and development expenditure		(2,396,095)	(2,055,253)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(2,438,856)</u>	<u>(2,126,097)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,912,805	1,936,000
Proceeds from converting notes		-	3,000,000
Capital raising costs		(185,453)	(252,660)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		<u>4,727,352</u>	<u>4,683,340</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD		882,729	1,790,755
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>2,928,503</u>	<u>1,137,748</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	<u>3,811,232</u>	<u>2,928,503</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the Year Ended 30 June 2007

	ORDINARY SHARES \$	CONVERTING NOTES \$	EMPLOYEE EQUITY-SETTLED BENEFITS RESERVE \$	ACCUMULATED LOSS \$	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE ENTITY \$
BALANCE AS AT 1 JULY 2005	15,949,836	-	83,893	(7,458,045)	8,575,684
Issue of 18,360,000 shares at 10 cents	1,836,000	-	-	-	1,836,000
Cost of issue of shares	(102,660)	-	-	-	(102,660)
Issue of 500,000 shares at 20 cents	100,000	-	-	-	100,000
Issue of 12,000,000 converting notes	-	3,000,000	-	-	3,000,000
Cost of issue of converting notes	-	(150,000)	-	-	(150,000)
Loss for the year	-	-	-	(967,954)	(967,954)
Recognition of share-based payments	-	-	137,867	-	137,867
BALANCE AS AT 30 JUNE 2006	17,783,176	2,850,000	221,760	(8,425,999)	12,428,937
BALANCE AS AT 1 JULY 2006	17,783,176	2,850,000	221,760	(8,425,999)	12,428,937
Issue of 12,000,000 shares upon conversion of converting notes at 25 cents per share on the 20 July 2006	2,850,000	(2,850,000)	-	-	-
Issue of 23,214,028 shares following conversion of options at 20 cents per share between 11 July and 23 August 2006	4,642,805	-	-	-	4,642,805
Issue of 850,000 shares following conversion of Director options at 20 cents per share on 1 December 2006	170,000	-	-	-	170,000
Issue of 500,000 shares following conversion of Director options at 20 cents per share on 1 December 2006	100,000	-	-	-	100,000
Cost of issue of shares	(185,453)	-	-	-	(185,453)
Loss for the year	-	-	-	(6,215,529)	(6,215,529)
Recognition of share-based payments	-	-	17,865	-	17,865
BALANCE AS AT 30 JUNE 2007	25,360,528	-	239,625	(14,641,528)	10,958,625

The accompanying notes form part of these financial statements

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

1. Corporate Information

Barra Resources Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operation and principal activities of the Company are described in note 22.

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 Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

Accounting Standards 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').

(b) Basis of preparation

The financial report has been prepared on the basis of historical cost, except for certain financial instruments which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

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 various 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.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(c) Going Concern

The Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company has net liabilities of \$5,912,748 (2006: net assets \$2,061,800) after the exclusion of capitalised exploration and development costs and a net cash inflow for the period of \$882,729 (2006: \$1,790,755). The net liability position at year end is primarily as a result of payables due to Barmingo Ltd of approximately \$12.5 million (2006: \$961,995), now assigned to FMR Investments Pty Ltd and Higginsville Mining Pty Ltd.

The Company incurred a net loss of \$6,215,529 during the year ended 30 June 2007, and as of that date, the Company's current liabilities exceeded its current assets by \$6,257,630.

During the year and subsequently, the Directors have taken steps to ensure the Company continues as a going concern. These steps include:

- The previous advancement of development during the initial phase of mining had resulted in a shortfall of planned stoping ore being mined and milled consistent with earlier mine forecasts; these measures are now expected to generate revenue from production and milling of ore in the ensuing twelve months;
- Subsequent to year end the Company has entered into an agreement dated 20 September 2007 with FMR Investments Pty Ltd and Higginsville Mining Pty Ltd, the Company's principal creditors. The agreement allows for:
 1. the partial delaying of repayments (amounting to \$3.96 million) for 12 months to match anticipated cash flows from operations;
 2. cash settlement of approximately \$3 million following completion of a capital raising within the next six months;
 3. the part settlement of the debt through a transfer of existing Burbanks ore stockpiles, and
 4. proposed settlement of \$4 million by an issue of 8 million shares at a deemed issue price of 50 cents per share and 4 million attaching unlisted options (options being subject to shareholder approval) exercisable at 65 cents each within 3 years of issue.

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

(c) Going Concern - Continued

The ability of the Company to continue as a going concern and to pay its debts as and when they fall due is dependent on the following:

- Successful implementation of the above-mentioned agreement;
- continued support from FMR and Higginsville Mining Pty Ltd and other financiers to the Company;
- the ability of the Company to secure additional funding through either the issue of further shares, debt or a combination of debt and equity to develop its mining assets to full production status. The form and value of such raisings is yet to be determined;
- active management of the current level of discretionary exploration expenditure in line with the funds available to the Company.

The Directors have reviewed the business outlook and cash flows anticipated in the mine forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as they are satisfied that the project has the ability to produce positive cash flows.

Notwithstanding this, as a junior explorer with a start up project and a dependency on continued support from current financiers and on securing additional funding, there is significant uncertainty whether the Company will be able to continue as a going concern.

Should the Company at anytime be unable to continue as going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(e) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

Defined contribution plans

Contribution to defined contribution superannuation plans are expensed when incurred.

(f) Goods and services tax

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

- 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
- 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 cash flow statement 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.

(g) 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 accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

2. Summary of Accounting Policies - Continued

(g) Income tax - Continued

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 or 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 income statement, 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.

(h) Payables

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

(i) 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 so as 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:

- Leasehold improvements 3 years
- Plant and equipment 3 - 10 years

(j) Provisions

Provisions are recognised when the Company has a present obligation, 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.

(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.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of mining stocks includes direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

(m) Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

(n) Exploration and evaluation

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.

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.

When production commences, the accumulated costs for the relevant area of interest are transferred to development assets.

(o) Development Costs

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

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.

(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.

(q) Jointly controlled assets or operations

The Company's interest in its jointly controlled assets and operations are accounted for by recognising the Company's assets and liabilities from the joint ventures, as well as expenses incurred in relation to the joint ventures in their respective classification categories.

2. Summary of Accounting Policies - Continued

(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

Transactions costs arising on the issue of equity instruments are recognised directly in equity as reduction of the proceeds of the equity instruments to which the costs relate. Transactions 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.

(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.

Other 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.

Financial assets at fair value through profit or loss

Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Loans and receivables

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

(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 income statement 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 income statement 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.

Entity as lessee

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 balance sheet 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 and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

(v) Adoption of new and revised accounting standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Boards (the AASB) that are relevant to its operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change in the Company's accounting policies.

Accounting Standards and Interpretations, including those issued by the IASB/IFRIC where an Australian equivalent has not been made by the AASB, that have recently been issued or amended but are not yet effective that have not been adopted for the annual reporting period ended 30 June 2007 are:

AFFECTED STANDARDS	NATURE OF CHANGE TO ACCOUNTING POLICY	APPLICATION DATE OF STANDARD*	APPLICATION DATE FOR COMPANY
AASB7 Financial Instruments: Disclosures	A project team has been formed to assess the impact of these new standards. A final assessment has not been made on the expected impact of these standards and interpretations, however, it is expected that there will be no significant changes in the Company's accounting policies	1 January 2007	1 January 2007
AASB 8 Operating Segments		1 January 2009	1 January 2009
AASB101 Presentation of Financial Statements		1 January 2007	1 January 2007
AASB 123 Borrowing Costs		1 January 2009	1 January 2009
AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and other Amendments		1 July 2007	1 January 2008
AASB 2007-7 Amendments to Australian Accounting Standards		1 July 2007	1 January 2008
Interpretation 10 Interim Financial Reporting and Impairment		1 November 2006	1 January 2007
Interpretation 11 AASB 2 Group and Treasury Share Transactions		1 March 2007	1 January 2008
Interpretation 12 Service Concession Arrangements		1 January 2008	1 January 2008

* reporting period commences on or after

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

	30 JUNE 2007 \$	30 JUNE 2006 \$
3. Revenue from Ordinary Activities		
Sales Revenues:		
From operating activities		
Gold Sales	14,553,471	-
Total Sales Revenue	14,553,471	-
Other Income		
Interest received from other parties	142,908	60,834
Other Revenue	8,560	-
Total Other Income	151,468	60,834
Total Revenue	14,704,939	60,834

4. Loss from Ordinary Activities

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

Expenses

Depreciation/amortisation of non-current assets

- Office furniture and equipment

Rental expense on operating leases

- Lease payments

Annual leave charge

Exploration Expenditure written off

	38,173	11,159
	53,806	49,875
	24,122	16,076
	8,480	-

5. Income Tax

(a) Income tax expense

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense as follows:

Loss from continuing operations

Income tax expense calculated at 30% (2006: 30%)

Permanent differences:

Non deductible expenses

Temporary differences not brought to account as a deferred tax asset

Tax losses not brought to account as a deferred tax asset

Income tax expense

	(6,215,529)	(967,954)
	(1,864,659)	(290,386)
	61,526	1,361
	642,712	(39,045)
	1,160,421	328,070
	-	-

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

5. Income Tax - Continued

(b) Deferred Tax liability

	30 JUNE 2007 \$	30 JUNE 2006 \$
Exploration interests at balance sheet	4,720,739	1,676,941
Less: Deferred tax assets recognised (tax losses)	(4,720,739)	(1,676,941)
	-	-

(c) Deferred tax assets

Timing differences	58,331	38,562
Tax losses – revenue	6,684,172	2,010,676
Less: Deferred tax assets recognised	(4,720,739)	(1,676,941)
Deferred tax assets not recognised	2,021,764	372,297
Not recognised:		
Unrecognised tax losses	3,182,183	1,565,814

The deferred tax asset arising from the tax losses has not been recognised as an asset in the balance sheet because recovery is not probable.

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

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

6. Remuneration Benefits

(a) The following were key management personnel of the Company during the financial year:

- Gary Berrell (*Non-Executive Chairman*)
- Dean Goodwin (*Managing Director*)
- Grant Jonathan Mooney (*Non-Executive Director and Company Secretary*)
- Robert George Colville (*Non-Executive Director - Resigned 25 July 2007*)

(b) 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 \$120,000 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. Remuneration is not linked to specific performance criteria.

(c) 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 specific performance criteria.

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

6. Remuneration Benefits - Continued

		SHORT-TERM EMPLOYEE BENEFITS		POST- EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	TOTAL \$
		SALARY & FEES \$	BONUS \$	SUPERANNUATION \$	OPTIONS \$	
Directors						
Gary Berrell	2007	40,000	-	3,600	-	43,600
	2006	40,000	-	3,600	54,125	97,725
Dean Goodwin	2007	218,185	40,000	18,737	17,865	294,787
	2006	201,388	-	17,225	83,742	302,355
Robert George Colville (Resigned 25 July 2007)	2007	19,000	-	17,350	-	36,350
	2006	19,000	-	18,070	-	37,070
Grant Jonathan Mooney (Secretarial & Directors' Fees)	2007	78,067	-	-	-	78,067
	2006	84,500	-	-	-	84,500
TOTAL	2007	355,252	40,000	39,687	17,865	452,804
TOTAL	2006	344,888	-	38,895	137,867	521,650

(i) During the year ending 30 June 2006 a total of 500,000 options were issued to a Director, Mr Gary Berrell as part of the remuneration package, in accordance with the Notice of Annual General Meeting dated 24 November 2005. The options are exercisable at 20 cents and expire 6 December 2008. An estimated average value of \$54,125 was calculated at the date granted using a Black-Scholes Options price model with the following assumptions:

- Interest rate 6%;
- Dividend yield of nil;
- Current underlying share price of \$0.14; and
- Volatility rate of 300%.

(ii) Dean Goodwin has received 6.06% of his total remuneration package for the year ended 30 June 2007 in the form of incentive options.

During the year ending 30 June 2005 a total of 4,500,000 options as part of the remuneration package were issued to a Director, Mr Dean Goodwin, in accordance with the Notice of Annual General Meeting dated 24 November 2004. The options are exercisable at 10 cents, 15 cents, 20 cents and expire 30 November 2007. An estimated average value of \$289,000 was calculated at the date granted using a Black-Scholes Options price model and are expensed over the vesting periods with the following assumptions:

- Interest rate 5%;
- Dividend yield of nil;
- Current underlying share price of \$0.06; and
- Volatility rate of 300%.

Services Agreements

Mr Dean Goodwin (Managing Director) has a contract of employment with the Company dated 13 September 2004. The contract specifies the duties and obligations to be fulfilled by the Managing Director. The employment contract terminates after 3 years from the commencement date of 1 October 2004. At any time this contract can be terminated by either party by giving three months notice.

Mr Grant Mooney, (Director and Company Secretary) has a services agreement with the Company. This agreement is for an unspecified term.

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

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

7. Auditors Remuneration

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

- Taxation services

The auditor of the Barra Resources Limited is Deloitte Touche Tohmatsu.

30 JUNE 2007	30 JUNE 2006
\$	\$
34,050	33,875
-	6,000
<u>34,050</u>	<u>39,875</u>

8. Cash and Cash Equivalents

Cash at bank

3,811,232	2,928,503
<u>3,811,232</u>	<u>2,928,503</u>

9. Trade and Other Receivables

Current

Trade debtors

Other debtors

16,043	10,745
1,070,864	172,936
<u>1,086,907</u>	<u>183,681</u>

10. Inventory

Inventory – ore stockpile

1,666,756	-
<u>1,666,756</u>	<u>-</u>

11. Other - Current Assets

Prepayments – insurance and office rent

27,680	9,433
<u>27,680</u>	<u>9,433</u>

12. Financial Assets

Non-current

Other mining bonds

255,092	255,092
<u>255,092</u>	<u>255,092</u>

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

13. Property, Plant & Equipment

	30 JUNE 2007 \$	30 JUNE 2006 \$
Motor Vehicles – at cost	44,546	22,727
less accumulated depreciation	(12,166)	(631)
	<u>32,380</u>	<u>22,096</u>
Office furniture and equipment - at cost	147,150	126,208
less accumulated depreciation	(89,740)	(63,102)
	<u>57,410</u>	<u>63,106</u>
Total Property, Plant and Equipment	<u>89,790</u>	<u>85,202</u>
Movements in carrying amounts		
Balance at beginning of the year	85,202	25,517
Additions	42,761	70,844
Depreciation expense	(38,173)	(11,159)
	<u>89,790</u>	<u>85,202</u>

14. Exploration, Evaluation and Development Expenditure

Mineral exploration and evaluation expenditure costs carried forward		
Balance at beginning of financial year	9,231,563	7,349,890
Exploration and evaluation expenditure	2,181,285	1,881,673
Total Exploration and evaluation expenditure	<u>11,412,848</u>	<u>9,231,563</u>
Development expenditure costs carried forward		
Balance at beginning of financial year	1,135,574	-
Development expenditure	11,056,796	1,135,574
Less accumulated amortisation	(6,733,845)	-
Total Development expenditure	<u>5,458,525</u>	<u>1,135,574</u>
Balance at end of financial year	<u>16,871,373</u>	<u>10,367,137</u>

The recovery of the costs of expenditure carried forward 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 27).

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

15. Trade and Other Payables

	30 JUNE 2007 \$	30 JUNE 2006 \$
Trade payables	12,582,253	1,244,698
Audit fees	25,000	20,000
Insurance	9,956	6,873
Superannuation	24,161	-
Payroll Tax	18,765	-
Other	44,795	-
	<u>12,704,930</u>	<u>1,271,571</u>

16. Provisions

Rehabilitation costs	100,000	71,415
Employee entitlements	45,275	57,125
	<u>145,275</u>	<u>128,540</u>

Total number of employees at the end of the financial year	<u>6</u>	<u>5</u>
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17. Issued Capital

(a) Issued and Paid up Capital

180,653,029 ordinary shares, fully paid (2006: 144,089,001 ordinary shares)	<u>25,360,528</u>	<u>17,783,176</u>
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Movement:

• Opening Balance	17,783,176	15,949,836
• Issue of 18,360,000 shares at 10 cents per share on 1 December 2005	-	1,836,000
• Issue of 500,000 shares following conversion of options at 20 cents per share on 24 April 2006	-	100,000
• Issue of 12,000,000 shares on conversion of converting notes at 25 cents per share on the 20 July 2006	3,000,000	-
• Cost of issue of converting notes	(150,000)	-
• Issue of 23,214,028 shares following conversion of options at 20 cents per share between 11 July and 23 August 2006	4,642,805	-
• Issue of 850,000 shares following conversion of Director options at 20 cents per share on 1 December 2006	170,000	-
• Issue of 500,000 shares following conversion of Director options at 20 cents per share on 1 December 2006	100,000	-
	<u>25,545,981</u>	<u>17,885,836</u>

Less: Costs of issue of shares	(185,453)	(102,660)
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Closing balance	<u>25,360,528</u>	<u>17,783,176</u>
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Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

17. Issued Capital - Continued

(b) Options on issue - as at 30 June 2007

	EXPIRY DATE					
	31 AUGUST 2006	1 DECEMBER 2006	30 NOVEMBER 2007	30 NOVEMBER 2007	30 NOVEMBER 2007	6 DECEMBER 2008
	EXERCISE PRICE					
	\$0.20 (LISTED)	\$0.20 (DIRECTORS)	\$0.10 (DIRECTORS)	\$0.15 (DIRECTORS)	\$0.20 (DIRECTORS)	\$0.20 (DIRECTORS)
On issue at the beginning of the year	23,980,000	1,350,000	1,500,000	1,500,000	1,500,000	500,000
Issued during the financial year	-	-	-	-	-	-
Expired, exercised or cancelled during the year	(23,980,000)	(1,350,000)	-	-	-	-
Outstanding at balance date	-	-	1,500,000	1,500,000	1,500,000	500,000

Current terms and conditions: Options are exercisable at 10 cents, 15 cents, 20 cents each, by the expiry dates noted above. These options have been issued following approval by shareholders in General Meeting. An Employee Option Scheme has been established. However, no options have yet been issued pursuant to this Scheme.

There are no rights to dividends or voting on the above options.

	30 JUNE 2007 \$	30 JUNE 2006 \$
Opening Balance	2,850,000	-
Issue of 12,000,000 converting notes at 25 cents each on 6 June 2006	-	3,000,000
Less: Costs of issue of Converting notes	-	(150,000)
Conversion to 12,000,000 fully paid shares at 25 cents on 20 July 2006	(2,850,000)	-
Closing balance	-	2,850,000

18. Converting Notes

Opening Balance	2,850,000	-
Issue of 12,000,000 converting notes at 25 cents each on 6 June 2006	-	3,000,000
Less: Costs of issue of Converting notes	-	(150,000)
Conversion to 12,000,000 fully paid shares at 25 cents on 20 July 2006	(2,850,000)	-
Closing balance	-	2,850,000

The Company issued 12,000,000 converting notes on 14 June 2006 to clients of stockbrokers Paterson Securities Limited ("Patersons") with a conversion price of 25 cents per share to raise \$3,000,000. Patersons received a fee of \$150,000.

The converting notes were, subject to shareholder approval, to be converted automatically to shares at the conversion price. A General Meeting was held on 20 July 2006 where shareholders approved the conversion of the notes to 12,000,000 fully paid shares.

19. Share Option Reserve

Opening Balance	221,760	83,893
Issue of Director Options expensed during the year	17,865	137,867
	239,625	221,760

The share option reserve arises as the share options granted to Directors vest over the vesting period. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

20. Accumulated Losses

Balance at the beginning of the financial year	(8,425,999)	(7,458,045)
Net loss	(6,215,529)	(967,954)
Balance at the end of the financial year	(14,641,528)	(8,425,999)

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

30 JUNE 2007	30 JUNE 2006
\$	\$

21. Notes to the Statement of Cash Flows

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

Loss from ordinary activities after income tax	(6,215,529)	(967,954)
Non-cash flows included in loss from ordinary activities		
• depreciation expense	38,173	11,159
• share option expense	17,865	137,867
Changes in assets and liabilities		
• increase in other debtors	(903,226)	(97,275)
• increase in other provisions	16,735	15,060
• increase in trade creditors	7,325,218	133,754
• (increase)/ decrease in prepayments	(18,247)	901
• Increase in inventory	(1,666,756)	-
	<u>(1,405,767)</u>	<u>(766,488)</u>

22. Statement of Operations by Segment

The Company operates solely in the natural resources exploration industry in Western Australia. The Company is involved in gold and nickel exploration in the areas of Riverina, Phillips Find, Quinn Hills, Burbanks and at Mt Thirsty, Western Australia.

23. Related Party Transactions

(a) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 6 to the financial statements.

(b) 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:

2007	BALANCE AS AT 1 JULY 2006	GRANTED AS REMUNERATION	RECEIVED ON EXERCISE OF OPTIONS	PURCHASED /SOLD	BALANCE AS AT 30 JUNE 2007
Gary Berrell	500,000	-	-	-	500,000
Dean Goodwin	-	-	-	50,000	50,000
Grant Mooney	874,000	-	530,000	(386,650)	1,017,350
Robert Colville Resigned – 25 July 2007 (i)	21,746,303	-	1,150,000	665,727	23,562,030

(i) Robert George Colville is a Director of Barmenco Limited ("Barmenco") and therefore has an indirect interest in its share and option holding. At the end of the financial year, Barmenco held 21,562,030 shares and no options. Robert Colville resigned as a Director on 25 July 2007.

2006	BALANCE AS AT 1 JULY 2005	GRANTED AS REMUNERATION	RECEIVED ON EXERCISE OF OPTIONS	PURCHASED	BALANCE AS AT 30 JUNE 2006
Gary Berrell	500,000	-	-	-	500,000
Dean Goodwin	-	-	-	-	-
Grant Mooney	874,000	-	-	-	874,000
Robert Colville (i)	21,746,303	-	-	-	21,746,303

(i) Robert George Colville is a Director of Barmenco Limited ("Barmenco") and therefore has an indirect interest in its share and option holding. At the end of the financial year, Barmenco held 20,562,030 shares and no options.

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

23. Related Party Transactions - Continued

Executive unlisted share options issued by Barra Resources Limited

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

2007								
DIRECTORS	BALANCE AS AT 1 JULY 06	GRANTED AS REMUNERATION	EXERCISED	PURCHASED	BALANCE AS AT 30 JUNE 07	VESTED BUT NOT EXERCISABLE	VESTED AND EXERCISABLE	OPTIONS VESTED DURING THE YEAR
Gary Berrell	500,000	-	-	-	500,000	-	500,000	-
Dean Goodwin	4,500,000	-	-	-	4,500,000	-	4,500,000	-
Grant Mooney	500,000		(500,000)	-	-	-	-	-
Robert Colville (Resigned 25 July 2007)	850,000		(850,000)	-	-	-	-	-

2006								
DIRECTORS	BALANCE AS AT 1 JULY 05	GRANTED AS REMUNERATION	RECEIVED ON EXERCISE OF OPTIONS	PURCHASED	BALANCE AS AT 30 JUNE 06	VESTED BUT NOT EXERCISABLE	VESTED AND EXERCISABLE	OPTIONS VESTED DURING THE YEAR
Gary Berrell	-	500,000	-	-	500,000	-	500,000	500,000
Dean Goodwin	4,500,000	-	-	-	4,500,000	-	3,000,000	1,500,000
Grant Mooney	500,000	-	-	-	500,000	-	500,000	-
Robert Colville	850,000	-	-	-	850,000	-	850,000	-

Further details of the options granted during the year are contained in Note 17(b) to the financial statements.

Executive share listed options issued by Barra Resources Limited

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

2007						
SPECIFIED DIRECTORS	BALANCE AS AT 1 JULY 2006	GRANTED AS REMUNERATION	EXERCISED	PURCHASED	LAPSED	BALANCE AS AT 30 JUNE 2007
Robert Colville (Resigned 25 July 2007)	300,000	-	300,000	-	-	-

2006						
SPECIFIED DIRECTORS	BALANCE AS AT 1 JULY 2005	GRANTED AS REMUNERATION	EXERCISED	PURCHASED	LAPSED	BALANCE AS AT 30 JUNE 2006
Robert Colville	300,000	-	-	-	-	300,000

As at the date of this report all options issued to Directors have been authorised at Annual General Meeting.

(c) Transactions with Director related entities

Grant Mooney (Mooney and Partners Pty Ltd) was paid \$78,067 (2006: \$84,500) for Company Secretarial and Directors fees for the financial year ended 30 June 2007. These are included in the Directors remuneration as disclosed in the Directors' Report.

Barmingo Pty Ltd, a company of which Bob Colville is a Director was paid \$12,110,048 (2006: \$1,709,692) for the supply of mining contractor services for the financial year ended 30 June 2007. Bob Colville resigned as a Director on 25 July 2007.

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

24. Financial Instruments

(a) 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 is as follows:

	AVERAGE EFFECTIVE INTEREST RATE %	FIXED INTEREST RATE \$	FLOATING INTEREST RATE \$	NON-INTEREST BEARING \$	TOTAL \$
30 JUNE 2007					
Financial assets:					
Cash	1.72	-	3,811,232	-	3,811,232
Term deposits	5.86	-	255,092	-	255,092
Receivables	-	-	-	1,086,907	1,086,907
		-	4,066,324	1,086,907	5,153,231
Financial liabilities:					
Accounts payable	-	-	-	12,704,930	12,704,930
Employee entitlements	-	-	-	45,275	45,275
		-	-	12,750,205	12,750,205
30 JUNE 2006					
Financial assets:					
Cash	4.06	-	2,928,503	-	2,928,503
Term deposits	5.55	-	255,092	-	255,092
Receivables	-	-	-	183,681	183,681
		-	3,183,595	183,681	3,367,276
Financial liabilities:					
Accounts payable	-	-	-	1,271,571	1,271,571
Employee entitlements	-	-	-	57,125	57,125
		-	-	1,328,696	1,328,696

(b) Credit risk

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.

(c) Fair value

The net 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.

(d) Liquidity risk

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.

There is no significant liquidity risk with the Company.

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

25. Earnings per Share

	2007	2006
Basic (loss) per share (cents per share)	(3.53)	(0.72)
Diluted (loss) per share (cents per share)	(3.53)	(0.72)

Basic Earnings per Share

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

	2007 \$	2006 \$
Loss	(6,215,529)	(967,954)

Weighted average number of ordinary shares

	2007 N°.	2006 N°.
	176,012,684	134,878,042

The options issued during the year 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.

Diluted Earnings per Share

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

	2007 \$	2006 \$
Loss	(6,215,529)	(967,954)

Weighted average number of ordinary shares and potential ordinary shares

	178,187,654	165,595,201
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Reconciliation of Weight Average of Ordinary Shares

Weighted average number of ordinary shares	176,012,684	134,878,042
Listed options	-	23,935,738
Director options	2,174,970	6,781,421
Weighted average number of ordinary shares used in the calculation of diluted EPS	178,187,654	165,595,201

The weighted average of ordinary shares has no dilutive effect to the diluted earning per share.

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

26. Significant Events Subsequent to Year End

- On 30 July 2007, the Company announced the results of an independent in-situ resource estimation of the Mt Thirsty cobalt-nickel deposit in which Barra is to participate equally with Select Minerals Pty Ltd in the project. Independent mining and geological consulting firm Golder Associates Pty Ltd has estimated an indicated and inferred resource of 20,970,000 tonnes grading 0.14% cobalt, 0.62% Nickel and 1.01% Manganese.
- On 6 August 2007, the Company announced that Monarch Gold Mining Company Ltd had acquired the gold interests from the Riverina Joint Venture of which the Company has a 30% interest. Monarch has acquired the gold tenements under a deal that will involve 15 million ordinary Monarch shares, and five million options split proportionally between the Joint Venture parties. The Riverina Joint Venture will retain rights for nickel exploration on the tenements.
- On 20 September 2007, the Company entered into a Letter Agreement with Barmenco Limited (now assigned to FMR Investments Pty Ltd (FMR)) and Higginsville Mining Pty Ltd to resolve outstanding mine contracting, drilling and milling charges totalling \$14.26 million as set out below:
 - i. Payment of \$3 million upon completion of a capital raising.
 - ii. \$3.96 million to be deferred for payment in 12 months.
 - iii. Transfer to FMR of the Burbanks stockpile of approximately 74,000 tonnes estimated at 2.98 grams per tonne valued at \$3.3 million after milling and haulage charges (assuming gold price of AUD800 per ounce).
 - iv. Proposed settlement of \$4 million by an issue of 8 million shares at a deemed issue price of 50 cents per share and 4 million attaching unlisted options (options being subject to shareholder approval) exercisable at 65 cents each within 3 years of issue, subject to shareholder approval.
- Mr Robert Colville, a Non-Executive Director of the Company, resigned from the Board on 25 July 2007.

27. 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).

28. 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.

	2007 \$	2006 \$
--	------------	------------

1. Operating Lease Commitment as follows:

Office Rental

The Company rents an office which has a lease term of 3 years from 15 December 2004, with an option to extend for a further 2 years. The lease contract contains a market review clause in the event that the Company exercises its option.

Due within 1 year	20,551	34,000
Due within 2 to 5 years	-	17,000

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 2007 if it is to retain all of its present interests in mining and exploration properties is \$563,775 (2006: \$591,295).

Notes to and Forming Part of the Financial Statements

for the Year Ended 30 June 2007

29. Jointly controlled assets

NAME OF OPERATIONS	PRINCIPAL ACTIVITY	OUTPUT INTEREST	
		2007 %	2006 %
Riverina tenements	Exploration of the Riverina tenements	70	70

The Company's interest in assets employed in the above joint venture is detailed below. The amounts are included in the financials statements under their respective assets categories:

Non-current assets

Total Exploration, evaluation expenditure

2007 \$	2006 \$
4,150,021	3,848,871

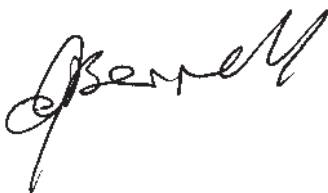
Directors' Declaration

The Directors of the Company declare that:

- (a) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company; and
- (c) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the Corporations Act 2001.

On behalf of the Directors:



GARY BERRELL
Chairman



DEAN GOODWIN
Managing Director

Dated this 27th day of September 2007

Independent Auditor's Report

Deloitte

Deloitte member firm number
ABN 74 000 071 000

Woolloongabba Office
Level 17
240 St Georges Terrace
Perth WA 6000
21st Floor A15
Perth WA 6007 Australia

DS 220
Tel: (61 8) 9440 8700
Fax: (61 8) 0 8305 7000
www.deloitte.com.au

Independent Auditor's Report to the Members of Barra Resources Limited

We have audited the accompanying financial report of Barra Resources Limited which comprises the balance sheet as at 30 June 2007, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration as set out on pages 40 to 63.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, 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 conduct our audit in accordance with Australian Auditing Standards. Those Auditing 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 these risk assessments, the auditor considers internal control relevant to the entity'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 the entity's 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.

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

Member of
Deloitte Touche Tohmatsu

Liability limited by a scheme approved under Professional Standards Legislation

Independent Auditor's Report

Deloitte

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion:

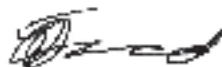
- (a) the financial report of Bumi Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 2(c) in the financial report which indicates that the company incurred a net loss of \$6,215,529 during the year ended 30 June 2007 and, as of that date, the company's current liabilities exceeded its current assets by \$6,257,630. These conditions, along with other matters as set forth in Note 2(c), indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



DELOITTE TOUCHE TOMATSU



Ross Jerrard
Partner
Chartered Accountants
Perth, 31 September 2007

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 26 September 2007.

SPREAD OF HOLDINGS	ORDINARY SHARES
1 - 1,000	48
1,001 - 5,000	361
5,001 - 10,000	389
10,001 - 100,000	957
100,001 - and over	182

Number of Holders 1,937

Number of shareholders holding less than a marketable parcel: 57

Substantial Shareholders

SHAREHOLDER NAME	NUMBER OF SHARES
FMR Investments Pty Limited	21,562,030
ANZ Nominees Limited	14,875,867

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 182,153,029 fully paid shares.

Company Secretary

The name of the Company Secretary is Grant Jonathan Mooney.

Mr Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners Pty Ltd, specialising in corporate compliance administration to public companies. Currently, Mr Mooney acts as Company Secretary to several ASX listed companies across a variety of industries including technology, resources and energy and has obtained a depth of experience through his involvement in a diversity of corporate transactions.

He is a member of the Institute of Chartered Accountants in Australia.

Registered Office

The registered office is at
Level 3,
33 Richardson Street,
West Perth,
Western Australia 6005

The telephone number is
(08) 9481 3911

Additional Information and Corporate Governance

Twenty Largest Holders of Each Class of Quoted Equity Securities

ORDINARY FULLY PAID SHARES

SHAREHOLDER NAME	NUMBER OF SHARES	PERCENTAGE OF CAPITAL
FMR Investments Pty Limited	21,562,030	11.84
ANZ Nominees Limited <Cash Income A/C>	14,875,867	8.17
RBC Dexia Investor Services Australia Nominees Pty Limited<MLCI A/C>	8,933,765	4.90
HSBC Custody Nominees (Australia) Limited	8,213,782	4.51
Abbotsleigh Pty Ltd	7,930,000	4.35
Lippo Securities Nominees (BVI) Ltd <Client A/C>	5,010,000	2.75
Citicorp Nominees Pty Limited	3,941,000	2.16
Mr Lafras Luitingh	3,581,990	1.97
Mr Jeffry Charles Hogan	3,000,000	1.65
Green Drilling Pty Ltd	2,770,550	1.52
Equity Trustees Limited <SGH PI Smaller Co's Fund>	2,571,655	1.41
Bremerton Pty Ltd	2,051,500	1.13
Mr Robert George Colville & Mrs Marilyn Joy Colville <RG & MJ Super Account>	2,000,000	1.10
Reliant Resources Pty Ltd<The Goodwin Enterprise Family A/C>	1,500,000	0.82
Samrae Pty Ltd	1,461,500	0.80
Boom Securities (HK) Ltd <Clients A/C>	1,357,063	0.75
Sherrifmuir Holdings Pty Ltd	1,279,300	0.70
Ragged Holdings Pty Ltd <Ragged Super Account>	1,200,000	0.66
Mr Daryl Hicks White	1,127,500	0.62
Mooney & Partners Pty Ltd	1,017,350	0.56
	95,384,852	52.37

Holders of Securities in an Unquoted Class

OPTIONS

OPTION HOLDER NAME	NO. OF OPTIONS	
	DIRECTORS OPTIONS 27 NOVEMBER 2007	DIRECTORS OPTIONS 6 DECEMBER 2008
Dean Barry Goodwin	3,000,000	-
Gary John Berrell	-	500,000
	3,000,000	500,000

Additional Information and Corporate Governance

(a) The Board of Directors

The Board and management are committed to good corporate governance and, to the extent they are applicable to the Company, have adopted the Ten Essential Corporate Governance Principles and each of the Best Practice Recommendations as published by ASX Corporate Governance Council ("ASX Principles and Recommendations"). The Board has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised below. Other information about the Company's corporate governance practices were adopted by the board on 16 August 2004 and are set out on the Company's website at www.barraresources.com.au.

- Statement of Board and Management Functions;
- policy and procedure for selection and appointment of new Directors;
- summary of code of conduct for Directors and key Executives;
- summary of policy on securities trading;
- policy and procedure for selection of external auditor and rotation of audit engagement partners;
- summary of policy and procedure for compliance with continuous disclosure requirements;
- summary of arrangements regarding communication with and participation of shareholders;
- summary of Company's risk management policy and internal compliance and control system;
- process for performance evaluation of the Board, Board committees, individual Directors and key Executives; and
- Corporate Code of Conduct.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company commits to the following principles:

- the Board is to comprise of Directors with a blend of skills, experience and attributes appropriate for the Company and its business;
- the principal criterion for the appointment of new and maintenance of existing Directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisers, has been committed to by the Board.

The Board of Directors recognise the need for independence at Board level and have considered the recommendations as set out in the ASX Principle of Good Corporate Governance and Best Practices Recommendations. As such, it is the intention of the Directors to address the matter of independence at Board level during the current financial year.

(c) 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.

(d) Remuneration Arrangements

The remuneration of a Non-Executive Director will be decided by the Board, without the affected Executive Director participating in that decision making process.

The maximum remuneration of Non-Executive Directors is to be determined by Shareholders in general meeting in accordance with the Constitution, the Corporations Law and the ASX Listing Rules, as applicable. At present the maximum aggregate remuneration of Non-Executive Directors is \$120,000 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.

The Board may award additional remuneration to Non-Executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

(e) External Audit and Audit Committee

The Company in general meeting is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

The Company has appointed, with their consent, Deloitte Touche Tohmatsu as its auditors.

Additional Information and Corporate Governance

(f) Committees of the Board

The Company is not of a relevant size to consider formation of committees to deal with subjects which the Board of Directors currently presides over.

(g) Ethical Standards

Barra is committed to the highest standards of ethical business conduct. As part of that commitment, Barra established a Code of Conduct to guide Executives, management and staff in carrying out their duties and responsibilities. The Code is subject to ongoing review to ensure that Barra's standards of behaviour and corporate culture reflect best practice in corporate governance. The Code is based on the following key principles:

- acting with honesty and integrity;
- abiding by laws and regulations;
- respecting confidentiality and handling information in a proper manner;
- maintaining the highest standards of professional behaviour;
- avoiding conflicts of interest;
- striving to be a good corporate citizen and to achieve community respect.

Barra also has a number of specific policies that underpin the Code of Conduct and elaborate on various legal and ethical issues. These policies are designed to foster and maintain ethical business conduct within Barra, and govern such things as workplace and human resources practices, handling of confidential information, insider trading, risk management and legal compliance.

In addition, the Board has guidelines dealing with disclosure of interests by Directors in participating and voting at Board meetings where any such interests are discussed. In accordance with the Corporations Act, any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered, and may not vote on the matter.

(h) Explanations for Departure From Best Practice Recommendations

During the reporting period from 1 July 2006 to 30 June 2007 the Company has complied with each of the Ten 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.

PRINCIPLE NUMBER	BEST PRACTICE RECOMMENDATION	COMPLIANCE	REASON FOR NON-COMPLIANCE
2.4	The Board should establish a nomination committee.	The Board does not have a nomination committee.	The Board members have concluded that no efficiencies would be achieved by establishing a separate nomination committee. The functions of any nomination committee are normally undertaken by the full board.
4.2, 4.3	The Board should establish an audit committee.	The Company does not have a formally constituted Audit Committee.	Given the size and scope of the Company's operations, the size of the Board and regular consultation with its external auditors it is not considered that an audit committee is necessary. Accordingly the Company does not have an audit committee.
8.1	Disclose the process for performance evaluation of the Board and individual Directors.	The Board and individual Directors are constantly aware of the Company's share price, market capitalisation and its financial performance. An informal assessment process exists, facilitated by the Chairman in consultation with the Company's professional advisors. Regular contact is maintained with financial advisors and stockbrokers seeking third party feedback on the Company's performance in order to continue to seek improvement in this area.	In a competitive environment such as the sector in which Barra operates, market forces will ensure that the Board and individual Directors are judged based upon the performance of the Company both relative to the market and relative to its particular circumstances.
9.2	The Board should establish a remuneration committee.	A remuneration committee has not been established.	Given the size and scope of the Company's operations, and the size of the Board it is not considered that a remuneration committee is necessary. Accordingly the Company does not have a remuneration committee.

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CORPORATE DIRECTORY

DIRECTORS

Non-Executive Chairman

Gary John Berrell
BEd (Hons)

Managing Director

Dean Barry Goodwin
BAppSc (Geology), MAIG

Non-Executive Director

Grant Jonathan Mooney CA

COMPANY SECRETARY

Grant Jonathan Mooney CA

REGISTERED OFFICE

Level 3, Mercury House
33 Richardson Street
West Perth WA 6005
Phone: (08) 9481 3911
Fax: (08) 9481 3955
Website: www.barraresources.com.au

SOLICITORS TO THE COMPANY

Wright Legal
Suite 1
103 Colin Street
West Perth WA 6005

SHARE REGISTRY

Computershare Investor Services Pty Limited
45 St George's Terrace
Perth WA 6000
Phone: (08) 9323 2000
Fax: (08) 9323 2033

AUDITORS

Deloitte Touche Tohmatsu
Level 16
152-158 St George's Terrace
Perth WA 6000

STOCK EXCHANGE

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

ASX CODE

BAR



Level 3, Mercury House
33 Richardson Street
West Perth WA 6005

Phone: (08) 9481 3911
Fax: (08) 9481 3955

www.barraresources.com.au