

ASX Announcement /Media Release

28 July 2017

Project Updates

Baraka Energy & Resources Ltd (ASX:BKP) (Baraka) wishes to update the market on its current projects.

Iron Sands

As a result of a recent change in circumstances with regard to the progress of the legal actions in relation to the Iron Sands venture in the Philippines, the changes in technology in regard to the materials which make up the Iron Sands venture, and specifically vanadium, Baraka felt it important to ensure the market remain fully informed in compliance with the continuous disclosure rules.

As previously announced, Baraka has been providing funding to an Australian unlisted public company, Consolidated Iron Sands Ltd (CIS) under a “Financial Streaming” facility over the Iron Sands (titanomagnetite) venture in the Philippines for some 5 years, which is a fully secured, interest bearing facility, with a 75% of profit distribution.

After originally entering into the agreement in 2012, two legal actions were instigated by the original vendors of the Iron Sands venture as a result of actions by previous directors of CIS which Baraka funded. Those Directors have since been removed.

The Iron Sands venture is in the most northerly part of the Philippines and is held in a 100% Filipino unlisted private subsidiary (Filipino Subsidiary), owned by CIS. This is the main security over which Baraka holds a secured facility. Two of Baraka’s directors also became directors of the Filipino Subsidiary to provide additional security for the facility.

These legal actions resulted in Baraka having to continue funding the Iron Sands venture for a considerably longer period than anticipated to maintain and protect the Company’s secured investment and shareholder interests, including providing funding for offices, geologists, and administration, together with legal fees.

Baraka’s continued funding enabled a seismic program to be completed over the Iron Sands venture permits. Vibracoring over the permits has been carried out over a large part of the permits, of which a limited number of these cores have been analysed, with a seismic report having been written by experienced firms in Perth.

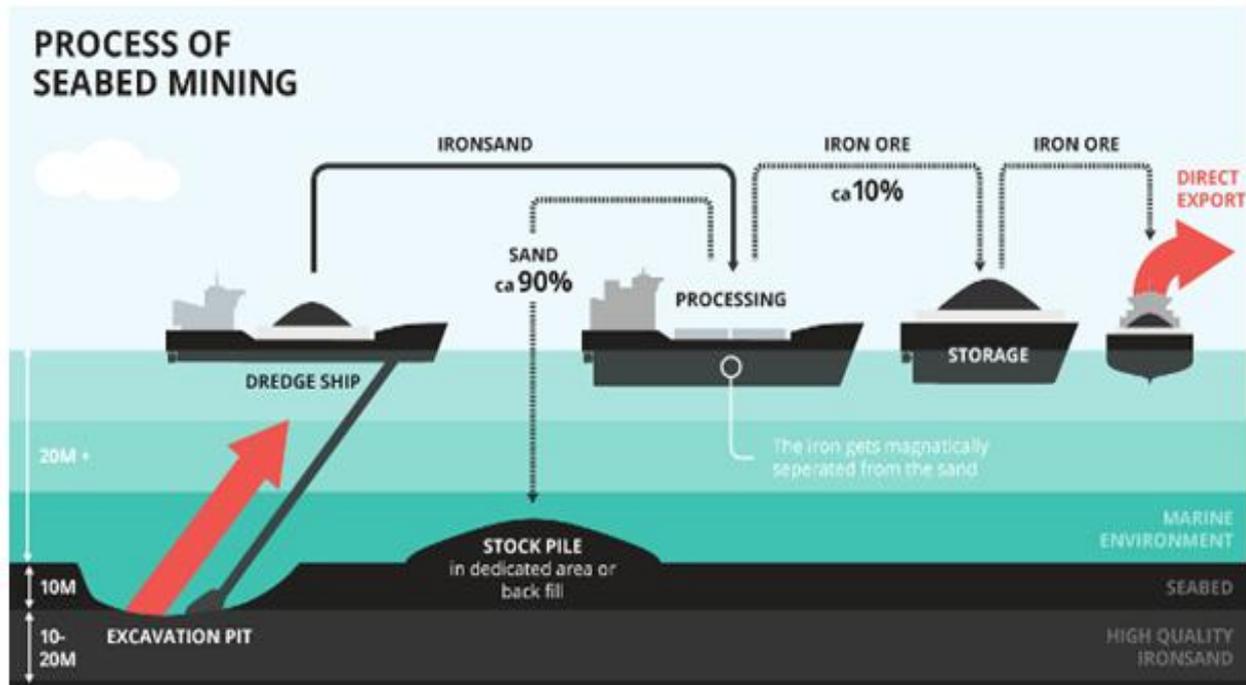
CIS was successful in the Philippines Supreme Court legal actions and Baraka is currently assisting in a renegotiation of the original terms of the agreement entered into between CIS and the original vendors.

The Iron Sands project area is made up of 2 fully approved and compliant exploration permits of some 10,000 hectares (100,000,000 square metres) most of which is only 500m offshore, with the seismic report stating the sands within the project areas are made up of 3 distinct levels of materials.



Baraka's first objective is to support the pursuit of an initial JORC resource by selected deeper coring to the acoustic basement or bedrock surface, additional analysis of the existing and new cores contained in an existing storage shed, an environmental report and possible mining approval. Many of these processes have been partially commenced and Baraka intends to support and expedite completion now the legal claims have been finalised.

As part of this process, Baraka intends through its consultants and associates to review the titanium and vanadium content of the project. Baraka will examine these minerals (currently sought after by the battery storage industry) to determine if they are conducive to modern day extraction and treatment techniques (for example, simple dredging and magnetic separation) which is illustrated in the conceptual process diagram below.



Many iron sands projects are made of predominantly iron (Fe), titanium (Ti) and vanadium(V) in varying degrees and percentages.

Traditionally, iron sands is used in complementing 62% hematite iron ore in steel mills by adding titanium which assists in lining the furnace walls and the vanadium by increasing the strength of the steel.

Vanadium was quoted in May 2017 as having hit a 4 year high in price, and the iron ore price is currently on the rise.

The President of the Philippines recently stated in a presentation at the 63rd Annual National Mine Safety and Environmental Conference that magnetite sands deposits represent a mineral for value adding, and for downstream processing, as the Philippines import the majority of their steel. Baraka's Iron Sands permits are only some 5-8km from a port and a special economic zone within the Philippines.

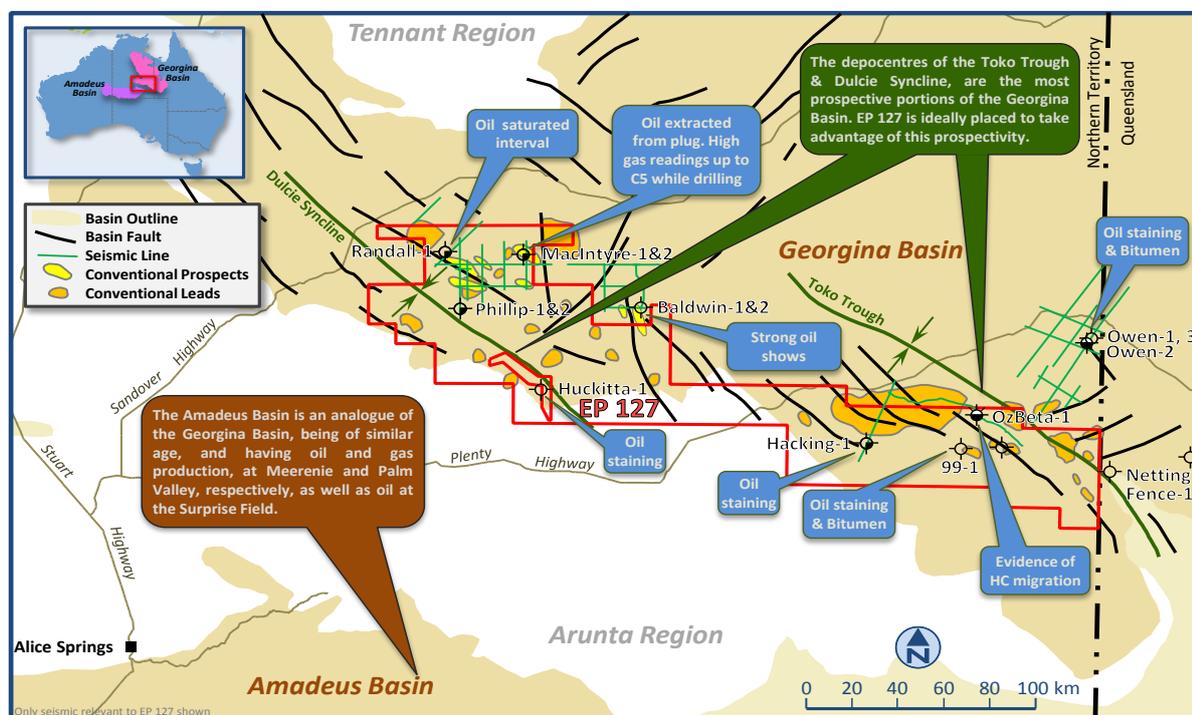
Further funding will be required in order to carry out these works. Baraka is considering its options in this regard and continues to solicit potential interest from regional industry players and other strategic partners.

EP127 Oil & Gas permit in Georgina Basin (Northern Territory)

The low oil price has taken a severe toll on the Oil & Gas sector, in addition to the ban on fracking in Australia.

Whilst Baraka made the choice to dilute, and not to commit to the \$7m sought by Statoil in the last round of exploration, Baraka nevertheless has had to meet ongoing costs and expenses.

Baraka now controls 100% of EP127 which represents some 4 million acres. With fracking bans and a low oil price, Baraka will continue to work towards meeting our commitments by negotiation with the Northern Territory Government to bring the permit to a more advanced position, in anticipation of when the market and Baraka's circumstances allow for increased exposure to Oil & Gas opportunities.



Further details will be released to the market in due course on all of our assets and projects in accordance with our disclosure obligations.

Caution Regarding Forward-Looking Information

This document contains forward-looking statements concerning Baraka.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Baraka's actual results to differ materially from those expressed or implied in any forward-looking information provided by Baraka, or on behalf of, Baraka. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.



Forward looking statements in this document are based on Baraka's beliefs, opinions and estimates of Baraka as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

END

For further information, please contact:

Collin Vost
Executive Chairman
Baraka Energy & Resources Ltd
Email: info@barakaenergy.com.au

