

19 September 2018

ASX Release

Vanadium-Magnetite Update

- **Baraka Director Jason Brewer and Independent Technical Consultant Jaime Zafrá completed Philippines meeting with Luzon Iron Development Group Corp (LIDGC) management.**
- **Due diligence and technical review of the Philippines Iron Sands Vanadium-Magnetite Project continues and further legal, financial and technical information has been requested from LIDGC and its Australian based parent company, Consolidated Iron Sands (CIS), and Board of Directors Terry Opie, Bernard Elliott and Richard Marr.**
- **Director Jason Brewer and South African based geological and metallurgical consultants and the Company's legal representatives will continue their on-site review and due diligence of a portfolio of attractive complementary South African based projects that have been identified and are considered highly prospective for vanadium**
- **The Board will continue to provide updates to shareholders regarding the progress of its due diligence and technical review of the Philippine Irons Sands Vanadium-Magnetite Philippines Project (Project) and potential new project acquisitions and joint ventures that will strengthen the Company's continued strategic focus on vanadium.**

Baraka Energy and Resources Limited (“**Baraka**” or “**The Company**”) is pleased to provide the following update to shareholders on the Company's continued strategic focus on vanadium.

New Vanadium Project Acquisitions and Joint Ventures

As a result of the Company's stated strategy to pursue its investment in the vanadium commodity sector, through its continued involvement in the Philippine Iron Sands-Vanadium Magnetite Project and through the identification and review of other projects that are considered highly prospective for vanadium, Company representatives recently returned from South Africa where they completed a preliminary assessment of a number of projects.

The Company have now completed a review of a shortlist of both early stage and advanced projects that was compiled earlier this month.

Director Jason Brewer and geological and metallurgical technical consultants will be conducting on-site technical reviews and due diligence of a number of these projects, whilst they are in South Africa from later this week.

In addition, meetings with senior management of these projects and the Company's legal representatives, are also scheduled this week in South Africa.

The Company will continue to provide updates to its shareholders on the progress of these discussions and technical due diligence reviews.

Philippines Iron Sands Vanadium-Magnetite Project

As part of the Baraka's technical assessment and due diligence review of the Philippines Iron Sands Vanadium-Magnetite Exploration Permits, Baraka Director, Mr Jason Brewer and independent technical consultant Mr Jaime Zafra met last week in the Philippines with the management of LIDGC and other key consultants in the Philippines.

Following this meeting, Baraka has requested further legal, technical and financial information from LIDGC and CIS, which it expects to receive later this week.

This information will assist Baraka in developing its ongoing plans to advance the Project and maximise the Company's exposure to this project.

Mr Jaime Zafra recently appointed by the Company as its Independent Technical Consultant to complete a due diligence review of the Philippines Iron Sands Vanadium-Magnetite Project, an assessment of the current exploration budget and proposed activities to advance the Project towards a development decision.

On 7 September 2018, at the request of LIDGC (a subsidiary of CIS), Baraka provided a further advance of AU\$26,126.26 to LIDGC under an existing Secured Loan Agreement between the parties.

The advance was provided in accordance with the previously approved budget and so that LIDGC and its management could continue to maintain the Philippines Iron Sands Vanadium-Magnetite Project in good standing.

The Company's investment in the Philippines Iron Sands Vanadium-Magnetite Project, is currently through loan advances made under a Secured Loan Agreement entered into in 2012 between CIS and Baraka's wholly owned subsidiary Goldfleet Enterprises Pty Ltd (Goldfleet).

The Secured Loan Agreement, was varied in 2014 and currently a total of \$3,803,969.49 (unaudited) has been advanced by the Company to CIS (and/or CIS' nominee, LIDGC) under the terms of the Secured Loan Agreement.

The Company continues to review the loan documentation, the amendments made and the rights and obligations therein.

Under the terms of the Secured Loan Agreement, the Company has amongst other things, the rights to convert its secured loan exposure into equity in CIS and to appoint a director to the Board of both CIS and LIDGC.

The current Board of Directors for CIS consists of Mr Terry Opie of Wildview Consulting, Mr Bernard Elliott, owner of Steelhomes and Mr Richard Marr, a Business Sales Consultant at Goodwin Mitchell O'Hehir (GMO Business Brokers). The Company has been informed by the CIS Directors that the CIS Board appointed former Baraka Director, Mr Collin Vost earlier this month.

CIS holds, via its 97% owned Philippine subsidiary, LIDGC, Exploration Permits for two offshore areas between Sanchez Mira and Gonzaga, offshore of Cagayan Province Luzon. The tenement eastern limit is 3 kms from the Economic Free Zone of Port Irene.



CIS is committed to conduct all its activities in a safe and environmentally sustainable manner and to proactively engage the local community on all relevant economic, environmental and social issues.

The Company is satisfied with the current status of the Secured Loan Agreement and the various rights that it provides the Company in regards to the loan funds advanced to CIS (and/or CIS' nominee, LIDGC) to advance the Philippines Iron Sands Vanadium-Magnetite Project.

If you have any queries please contact the Company on +61 8 6380 2470.

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