

7 September 2018

ASX Release

## **Appointment of Independent Technical Consultant to Advance Philippines Iron Sands Vanadium-Magnetite Project**

- Mr Jaime Zafra appointed by the Company as its Independent Technical Consultant to complete a due diligence review of the Philippines Iron Sands Vanadium-Magnetite Project its exploration budget and schedule and also identify ways to advance the project on behalf of Baraka shareholders
- Mr. Zafra is a licensed Philippines-based, Geologist with 39 years experience including management positions with a number of Philippine focused mining and exploration companies
- Has extensive knowledge of the Luzon Iron Sands Vanadium-Magnetite deposit and has worked with a number of ASX listed and international mining and exploration companies
- He is a member of the Australasian Institute of Mining and Metallurgy and a registered Competent Person under the Geological Society of the Philippines and Philippine Mineral Reporting Code
- Under the terms of his appointment, it is proposed that Mr Zafra will meet with the management of Luzon Iron Development Corp, the holder of the Philippines Iron Sands Vanadium-Magnetite Exploration Permits and complete a site visit to validate and verify the historic exploration work done before preparing a detailed assessment report for the Baraka Board of Directors on the Project's potential
- In addition, arrangements for meetings between Mr Zafra and Baraka Director, Mr Jason Brewer, with regional and central directors of Philippines Mines Department and other key project stakeholders in the Philippines are underway
- The Company can also confirm that given this appointment, it has terminated a previous authorisation with Perth-based licensed securities dealer, New York Securities Pty Ltd, headed up by former Baraka Chairman, Collin Vost, who were engaged on 28 July 2018 to identify potential purchasers of the Philippines Iron Sands Vanadium-Magnetite Project
- Company has shortlisted a portfolio of Vanadium projects in Southern Africa that will complement and enhance Baraka's position in the Vanadium sector.

Baraka Energy & Resources Limited ("Baraka" or the "Company") is pleased to confirm the appointment of Mr Jaime Zafra, as the Company's Independent Technical Consultant to complete a due diligence review of the Philippines Iron Sands Vanadium-Magnetite Project (**Project**).

## Appointment of Independent Technical Consultant

The appointment of Mr Zafra as the Company's Independent Technical Consultant, follows completion of a preliminary technical and legal review of the Project by the Company's Board and its Australian based advisors.

Under the terms of the appointment, Mr Zafra will complete an assessment of the current Project budget and exploration plan and proposed activities to advance the Project towards a development decision.

Included in the assessment will be a review of:

1. the current status of the Philippines Iron Sands Vanadium-Magnetite Exploration Permits;
2. the Projects quarterly exploration reports, activities and accomplishments, including exploration and QAQC procedures, and previous exploration drilling programs and assay methodologies;
3. the Project's semi-annual Environmental Reports;
4. expenditure requirements of the Project and all matters to ensure the Philippines Iron Sands Vanadium-Magnetite Exploration Permits are kept in good standing;
5. current Project activities including the Exploration Work Program, the Environmental Work Program, and the Community Development Plans;
6. environmental baseline studies undertaken as part of Environmental Impact Assessment studies; and
7. engagement with Local Government and key Project stakeholders.

The Board believes that Mr. Zafra is well placed to complete this work on behalf of Baraka's shareholders and that his appointment is important to determine how best to advance the Project on behalf of all Baraka's shareholders.

Mr. Zafra is a licensed Philippines-based Geologist with 39 years experience including management positions with a number of Philippine focused mining and exploration companies and has previous work experience on the Luzon Iton Sands Vanadium-Magnetite Project.

He is a registered Competent Person under the Geological Society of the Philippines and Philippine Mineral Reporting Code with solid experience on metal and non-metal exploration/economic geology, geotechnical engineering, mine/quarry engineering, metallurgy, geohazard assessments, hydrogeology, real estate development, construction, drilling and blasting, mining operation, quarrying and mining rights perfection.

### **Site Visit and Key Stakeholder Meetings in the Philippines**

It is proposed that Mr Zafra will visit the Project site later in September 2018 and will hold meetings with the current management of Luzon Iron Development Corporation, the holder of the Philippines Iron Sands Vanadium-Magnetite Exploration Permits.

In addition, meetings with the regional and central directors of the Philippines Mines Department and other key stakeholders will also be undertaken, as part of a site visit that will also validate and verify the historical exploration work completed.

As part of the Company's further assessment and due diligence of the Philippines Iron Sands Vanadium-Magnetite Exploration Permits, Baraka Director, Mr Jason Brewer plans to meet with the management of Luzon Iron Development Corporation and other key legal and technical consultants in the Philippines next week.

### **Termination of Mandate with New York Securities Pty Ltd**

As a result of this ongoing work and focus by the Company on the Philippines Iron Sands Vanadium-Magnetite Project, the Company has terminated an authorisation dated 28 July 2018 with Perth based licensed securities dealer, New York Securities Pty Ltd, headed up by former Baraka Chairman, Collin Vost.

Under the terms of this authorisation, New York Securities Pty Ltd, were to receive a fee in the event that they introduced parties who acquired all or part of the Philippines Iron Sands Vanadium-Magnetite Project.

Given the Company's clear 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, the Board feel it highly inappropriate at this time to have this mandate ongoing.

### **Vanadium Acquisition**

Company representatives recently returned from South Africa where they assessed a number of Vanadium assets that suit to complement and enhance its existing Vanadium strategy.

The Baraka Board of Directors have been presented with a shortlisted portfolio of Vanadium projects that they are currently reviewing and will provide an update to the market regarding the progress of this potential acquisition.

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

Jason Brewer  
Director  
Baraka Energy & Resources Limited