

## ASX ANNOUNCEMENT/MEDIA RELEASE

9 August 2018

### Iron Sands Venture Update

**Baraka Energy & Resources Limited (ASX:BKP) (Baraka or the Company)** is pleased to provide an update on the above venture and the Rights & Fees owed to Cervantes Corporation Limited (ASX:CVS) ("Cervantes") for the introduction of the Iron Sands.

A joint meeting of the boards of Baraka and Cervantes resulted in an agreement to resolve the fees and rights that Cervantes had over the iron sands venture to enable Baraka to pursue buyers, representing Chinese Steel mills, Dredging firms, other companies in the Iron Sands industry, or wealthy Philippines or Chinese investors.

The previous loan agreement to Cervantes, for which full disclosures have been made, has now been amended in return for waiving all Cervantes fees and rights, to a \$900,000 loan repayable over 2 years interest free, amended from one year to two years on a best of endeavours basis. Cervantes expects to repay this loan earlier as a result of exceptional drill results from one of Cervantes' gold projects which Cervantes released to the ASX on 28 June 2018 announcing significant intersections of; 2m @ **67.2 g/t** from 27m in AHP116, incl 1m @ **129.3 g/t** from 27m and 5m @ **63.1 g/t** from 32m in AHP134, incl 1m @ **202.8 g/t** from 33m at Cervantes Albury Heath project in Meekatharra. This project is only one of three strategic gold projects it controls 100% of, and provides comfort for the Baraka loan.

Each company can now move forward with their respective operations, and Baraka can also seek to continue its search for a project suitable to its structure, and seek a farm in partner for its 4m acres of prospective Georgina Basin Oil & Gas permit.

Baraka's assets are now effectively clear of impediments to being developed, are 100% owned or controlled and Baraka is completely free of all debts and creditors.

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