

4 July 2018

Dear Shareholder

BARAKA ENERGY & RESOURCES – NOTICE OF GENERAL MEETING

Baraka Energy and Resources Ltd (ASX: BKP) (**BKP or Company**) hereby provides the attached Notice of General Meeting of your Company to be held on 10 August 2018. This announcement and the attached documentation should be read carefully and in its entirety.

The notice is issued pursuant to sections 249D and 203D of the *Corporations Act 2001* (Cth) (**Notice**). The Company is obliged to convene this meeting within 21 days from the date the Notice was given to the Company.

Your Directors are unanimous in recommending shareholders vote AGAINST ALL resolutions proposed in the Notice.

We thank you for your ongoing support and look forward to continuing to work hard for the Company and its shareholders.

For further information please call our office on (08) 6436 2350.

Yours faithfully



Mr Collin Vost
Chairman, for and on behalf of,
Baraka Energy & Resources Ltd



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BARAKA ENERGY & RESOURCES LIMITED

ACN 112 893 491

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2.30pm (WST)
DATE: 10 August 2018
PLACE: Royal Perth Golf Club
Labouchere Rd, South Perth WA 6151

The Directors unanimously recommend Shareholders

VOTE AGAINST

all Resolutions set out in the Notice of Meeting. Directors do not consider the Resolutions to be in the best interests of the Company or its Shareholders.

DRESS POLICY: Royal Perth Golf Club requires all members, guests and visitors to be dressed in smart casual. **Denim, t-shirts, thongs and runners are not permitted.** Men's shirts must be tucked in. These dress standards also apply to service providers. Admittance to the venue will be refused to those not adhering to the dress policy.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm on 8 August 2018 (WST).

PURPOSE OF THE MEETING

On 13 June 2018, the Company received a notice to call a general meeting to consider various resolutions relating to the removal of the directors of the Company and the election of new directors of the Company (**Requisition Notice**).

The Requisition Notice was issued under sections 249D and 203D of the *Corporations Act 2001* (Cth) (**Corporations Act**) by shareholders GTT Global Opportunities Pty Ltd, Syracuse Capital Pty Ltd <Tenacity A/C>, Syracuse Capital Pty Ltd <The Rocco Tassone Super A/C>, Murdoch Capital Pty Ltd <Glovac Super A/C>, Mounts Bay Investments Pty Ltd <Calver Capital A/C> and Hustler Investments Pty Ltd (**Requisitioning Shareholders**). The Requisition Notice was dated 13 June 2018.

On 14 June 2018 the Requisitioning Shareholders lodged an Initial Substantial Holder Notice with the ASX.

Resolutions 1 – 3 are for the appointment of Jason Brewer, Christopher Zielinski and Patrick Glovac as directors of the Company and Resolutions 4 – 6 are for the removal of Collin Vost, Justin Vost and Ray Chang as directors of the Company.

The Notice of Meeting and Explanatory Statement are important documents and should be read in their entirety. The resolutions to be considered at the Meeting are important and have significant implications for the future of your Company and investment.

If you are unable to attend the Meeting, you are encouraged to complete and return the enclosed Proxy Form by 2.30pm (WST) on 8 August 2018.

THE CHAIRMAN OF THE MEETING INTENDS TO VOTE ALL UNDIRECTED PROXIES AGAINST RESOLUTIONS 1 – 6.

Biographies of Directors proposed to be removed

Biographies of the existing directors are set out in Schedule 1 to the Explanatory Statement.

Statement of Directors proposed to be removed

Section 203D(4) of the *Corporations Act* provides that a director who is the subject of a proposed resolution for their removal from office is entitled to submit a statement for circulation to shareholders. The Directors' statement is included in Schedule 2 to the Explanatory Statement.

Statement of Directors proposed to be appointed

Section 249P of the *Corporations Act* permits the shareholders who have requisitioned the meeting to submit a statement for circulation to shareholders regarding the resolutions and any other matter that may be properly considered at the meeting.

The Requisitioning Shareholders have provided the Company with a statement under section 249P (**Requisitioning Shareholders' Statement**). The statement is included in Schedule 3 to the Explanatory Statement.

The Company is not responsible for the content of the Requisitioning Shareholders' Statement.

The Directors recommend Shareholders vote AGAINST Resolutions 1 – 6.

CHAIRMAN'S LETTER

Dear Shareholder,

As announced on 14 June 2018, Baraka Energy & Resources Limited (**Baraka** or **Company**) received a notice from a group of shareholders (**Requisitioning Shareholders**) that held at the time over 5% of votes in Baraka to requisition an extraordinary general meeting (**Meeting**) under section 249D of the Corporations Act.

The Meeting will be held on **10 August 2018** at **Royal Perth Golf Club** at **2.30pm** (WST).

A Notice of Meeting accompanies this letter. The issues to be considered at the Meeting are important and have significant implications for the future of the Company and your investment.

The Requisitioning Shareholders are asking shareholders to remove all existing directors of the Company, being Justin Vost, Ray Chang and myself, Collin Vost, and to elect in their place, three nominee directors of the Requisitioning Shareholders.

YOUR BOARD STRONGLY RECOMMENDS THAT YOU VOTE AGAINST THE APPOINTMENT OF THE REQUISITIONING SHAREHOLDERS' NOMINEES as Directors of the Company for the reasons set out below and in the accompanying Explanatory Memorandum.

If you are unable to attend the meeting in person we recommend that you appoint the Chairman of the company as your proxy to vote against all of the resolutions.

Baraka's history under the existing Board

At the time of my appointment to the Board of the Company in April 2009, the Company was nearing liquidation having recorded net losses of approximately \$48 million. At that time, New York Securities Pty Ltd (**NYSPL**), a corporate advisory and financial services business of which I am a Director, **arranged an interest free loan to the Company and raised approximately \$2.45 million** to help stabilise the financial well-being of the Company, **resulting in the reinstatement of the Company's securities to the official list** of the ASX on 15 July 2009.

NYSPL also introduced the Company to two oil & gas permits in the Northern Territory, comprising 8 million acres of prime Shale assets in the Southern Georgina Basin, which assisted in the reinstatement of Baraka, on a \$10,000 option fee payable by Baraka to the Vendors, to acquire 75% of those permits, **free of any fees payable by the Company to NYSPL for that introduction.**

NYSPL acted as lead manager to the \$2.45 million placement referred to above. Investors who participated saw their shares rise in value by 300% from 0.2 cents per Share to 0.8 cents per Share on opening. In March 2011, the share price rose more than 1400% to 3 cents.

Conduct of operations under the existing Board

Since 2009, the Company has experienced a strong financial position with cash in hand **increasing from \$1.587 million in June 2010 to \$5.17 million in June 2014**. In June 2017, the Company had **net assets of \$12.5 million** which included 100% ownership of an extremely prospective oil and gas permit and 75% interest in potential profits to be generated by the Iron Sands project located in the Philippines.

Positive future outlook

Baraka considers that the Company's financial outlook for the remainder of 2018 and beyond is positive. The Company considers the following key investment highlights as being of potential relevance to shareholders:

- For personal use only
- continued commitment on exploration for conventional hydrocarbon prospects in the Company's 100% owned EP127 permit, **one of Australia's most attractive shale oil and gas basins**, in particular the Randal-MacIntyre area, where heavy gas readings have highlighted the potential in the area;
 - exploration of the south-eastern portion of EP127 which covers the Toko Syncline for unconventional prospectivity;
 - further studies on the potential for EP127 to contain **significant helium accumulations**, such as those found in the adjacent Amadeus Basin;
 - the **Northern Territory Government's fracking moratorium being lifted**, which the Company considers to be highly beneficial to the exploitation of its oil and gas assets and appointment of a Farm in Partner; and
 - further funding of exploration on the Iron Sands Project in the Philippines and the exciting potential iron, titanium and vanadium content. **The potential vanadium content in particular is significant in light of the rise of the Vanadium Redox Flow Battery, and its influence on battery storage, in competition with lithium.**

Assessment of proposed removal of existing Directors

We consider that this Meeting convened by the Requisitioning Shareholders is completely inconsistent with the strategy and future objectives of the Company. The Company has been required, at great expense, to print and post this Notice, together with legal fees for the preparation of the documentation, when those funds could be used for the benefit of shareholders in pursuing the opportunities described above.

Our assessment of the Requisitioning Shareholders' proposal to remove all the existing directors of the current board is that:

- it simply represents a **fee earning opportunity** for the Requisitioning Shareholders and their associates and may result in the promotion of self-interest and related party project opportunities;
- it is an **opportunistic attempt** to obtain board control by an associated group who have an **ongoing history of attempting to acquire control** of small to mid-cap resource companies with little or no consideration for the Company as a whole or its shareholders;
- it is a poorly crafted attempt to cheaply gain control of the Company **with no specific short or long-term strategy for growth** in the Company or its assets **other than the possible introduction of projects in high risk sovereign jurisdictions**;
- if successful, would result in a **board having little or no understanding of the assets of the Company**;
- it will result in the **loss of established Company contacts** developed over nearly a decade in the Philippines and strategic relationships with industry consultants in the oil & gas and helium areas, as well as the Northern Territory Government; and
- in the boards opinion, will not result in any net overall benefit to the Company or its shareholders.

Accordingly, we recommend that you read the accompanying material carefully and that you VOTE AGAINST all resolutions in the attached Notice.

Yours sincerely,



Collin Vost
Chairman, Baraka Energy and Resources

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPOINTMENT OF JASON BREWER AS A DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, pursuant to clause 14.3 of the Company’s Constitution, Mr Jason Paul Brewer be appointed as a director of the Company, with effect from the close of the meeting.”

2. RESOLUTION 2 – APPOINTMENT OF CHRISTOPHER ZIELINKSKI AS A DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, pursuant to clause 14.3 of the Company’s Constitution, Mr Christopher Jan Zielinski be appointed as a director of the Company, with effect from the close of the meeting.”

3. RESOLUTION 3 – APPOINTMENT OF PATRICK GLOVAC AS A DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, pursuant to clause 14.3 of the Company’s Constitution, Mr Patrick Michael Glovac be appointed as a director of the Company, with effect from the close of the meeting.”

4. RESOLUTION 4 – REMOVAL OF COLLIN VOST AS A DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, pursuant to section 203D of the Corporations Act and clause 14.5 of the Company’s Constitution, Mr Collin Vost be removed as a director of the Company with effect from the close of the meeting.”

5. RESOLUTION 5 – REMOVAL OF JUSTIN VOST AS A DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, pursuant to section 203D of the Corporations Act and clause 14.5 of the Company’s Constitution, Mr Justin Vost be removed as a director of the Company with effect from the close of the meeting.”

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6. RESOLUTION 6 – REMOVAL OF RAY CHANG AS A DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to section 203D of the Corporations Act and clause 14.5 of the Company's Constitution, Dr Ray Chang be removed as a director of the Company with effect from the close of the meeting."

Dated: 2 July 2018

By order of the Board pursuant to requisitions under section 249D of the Corporations Act 2001 (Cth).



**Patrick O'Neill
Company Secretary**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

THE CHAIRMAN OF THE MEETING INTENDS TO VOTE ALL UNDIRECTED PROXIES AGAINST RESOLUTIONS 1 – 6.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6436 2350.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1, 2 AND 3 – ELECTION OF DIRECTORS

The Company's Constitution provides that the Company may elect a person as a director by resolution passed in general meeting.

Subject to the passing of the Resolutions in favour of the appointment of the proposed directors (being Jason Paul Brewer, Christopher Jan Zielinski and Patrick Michael Glovac), those appointments will take effect from the close of the meeting.

Section 249P of the Corporations Act permits the shareholders who have requisitioned the meeting to submit a statement for circulation to shareholders regarding the resolutions and any other matter than may be properly considered at the meeting.

The Requisitioning Shareholders have provided the Company with the Requisitioning Shareholders' Statement, as set out in Schedule 3 to the Explanatory Statement. The Company is not responsible for the content of the Requisitioning Shareholders' Statement.

The Directors recommend Shareholders vote AGAINST Resolutions 1, 2 and 3.

2. RESOLUTIONS 4, 5 AND 6 – REMOVAL OF DIRECTORS

Under section 203D of the Corporations Act, a company may by resolution remove a director from office.

The Company's Constitution provides that the Company may remove any director from office by resolution passed in general meeting.

The Requisitioning Shareholders have given notice of their intentions to move Resolutions 4, 5 and 6 for the removal of existing directors Collin Vost, Justin Vost and Ray Chang.

If Resolutions 4, 5 and 6 are successful, the existing Directors (being Collin Vost, Justin Vost and Ray Chang) will be removed from their office as Directors of the Company.

The existing Directors of the Company have provided a written statement in accordance with section 203D of the Corporations Act which is included at Schedule 2 to the Explanatory Statement.

The Directors recommend Shareholders vote AGAINST Resolutions 4, 5 and 6.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Baraka Energy & Resources Limited (ACN 112 893 491).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

NYSPL means New York Securities Pty Ltd (ACN 111 049 800) (AFSL 317392)

Proxy Form means the proxy form accompanying the Notice.

Requisition Notice means the section 249D notice received by the Company from Requisitioning Shareholders on 13 June 2018.

Requisitioning Shareholders means GTT Global Opportunities Pty Ltd, Syracuse Capital Pty Ltd <Tenacity A/C>, Syracuse Capital Pty Ltd <The Rocco Tassone Super A/C>, Murdoch Capital Pty Ltd <Glovac Super A/C>, Mounts Bay Investments Pty Ltd <Calver Capital A/C> and Hustler Investments Pty Ltd.

Requisitioning Shareholders' Statement means that statement set out in Schedule 3.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – EXISTING DIRECTOR'S BIOGRAPHIES

Mr Collin Vost – *Executive Chairman*

Collin Vost has been involved in public companies since 1984 as an investor and as a director. Mr Vost was extensively involved in assisting groups acquire passive and coordinated control of companies for back door listing and arranging IPOs. Mr Vost was also a finance broker and had a dealer's licence in the 1980's which extended into stockbroking in 2001, as well as setting up his own Stockbroking firm New York Securities PL (AFSL 317392) in 2007. Mr Vost has assisted a number of companies recover from receivership and liquidation and go on to being active and solid companies with genuine assets, as well as acting as lead manager to two IPOs.

Mr Vost was appointed to the Board of Baraka on 18 May 2009.

Mr Collin Vost holds a Diploma of Financial Services and is a Licenced Securities Dealer and is a member of the audit committee.

Mr Collin Vost is currently a director of Cervantes Corporation Ltd.

Mr Justin Vost – *Non-Executive Director*

Mr Justin Vost holds a Diploma of Financial Markets and has managed production positions in England as well as El Paso, and Atlanta in the USA. Justin Vost has also worked in the mining industry and currently acts as an Advisor for New York Securities PL.

Mr Vost was appointed to the Board on 15 March 2011 and is currently a member of the audit committee.

Mr Justin Vost is currently a director of Cervantes Corporation Ltd.

Dr Ray Chang – *Non-Executive Director*

Dr Ray Chang has worked in the University of Calgary in Canada, the Geology department of the University of WA and Curtin University of Technology in Australia. Dr Chang has travelled China extensively to numerous provinces teaching Earth Sciences as well as the Zhejiang University. Dr Chang has over 39 years of experience including in the Atomic Energy Commission in Taiwan.

Dr Chang holds a Bachelor of Science, PhD and Diplomas in Metallurgy and Gemmology.

Dr Chang holds no other directorships in ASX-listed entities.

SCHEDULE 2 – STATEMENT OF EXISTING DIRECTORS

Dear Shareholder,

As the directors impacted by the Requisitioning Shareholders' proposed resolutions, we are writing to you to provide important information in respect of the forthcoming Meeting.

We consider that the Company's outlook for the remainder of 2018 and beyond is positive. The current Baraka Board is focussed on positioning the Company to deliver meaningful growth through the continued exploration for conventional hydrocarbon prospects in the Company's 100% owned EP127 permit, located in one of Australia's most attractive shale oil and gas basins.

In addition to conventional hydrocarbon prospectivity on EP127, the existing board has a clear strategy to deliver shareholder value through exploration for unconventional prospectivity on the south-eastern portion of EP127 and continued studies on the potential for EP127 to contain significant helium accumulations such as those found on the nearby, analogous Amadeus Basin, which is of a similar age and having oil and gas production.

The Directors believe that the recent lifting of the Northern Territory Government's ban on fracking, **significantly accelerates the Company's ability to exploit its oil and gas assets and provide opportunity for shareholder growth.**

Your Directors recommend you vote AGAINST ALL resolutions.

WHO ARE THE REQUISITIONING SHAREHOLDERS?

The Requisitioning Shareholders are an associated group with a history of seeking to take control and influence the boards of small to mid-cap ASX-listed companies.

Rocco Tassone, Charles Thomas and Patrick Glovac (all associated with the Requisitioning Shareholders) have been described by the **Australian Takeovers Panel** as "**acting in concert ... for the purpose of controlling or influencing the board**" of another ASX-listed company.

Requisitioning Shareholder	Controlling Parties
GTT Global Opportunities Pty Ltd	<i>Rocco Tassone, Charles Thomas, Patric Glovac</i>
Syracuse Capital Pty Ltd <Tenacity a/c>	<i>Rocco Tassone</i>
Syracuse Capital Pty Ltd <Rocco Tassone Super a/c>	<i>Rocco Tassone</i>
Murdoch Capital Pty Ltd <Glovac Superfund a/c>	<i>Patrick Glovac</i>
Mounts Bay Investments Pty Ltd <Calver Capital a/c>	<i>Charles Thomas</i>
Hustler Investments Pty Ltd ("Hustler")	<i>John Zadeh (John Omeedzadeh)</i>

WHAT IS THE HISTORY OF THE REQUISITIONING SHAREHOLDERS?

As described above, **the Controlling Parties have a history of seeking to influence or control ASX-listed companies.** Other ASX-listed companies with which they have been involved include:

- **Sovereign Gold Company:** Rocco Tassone, Charles Thomas and Patrick Glovac were appointed to the Board of Sovereign in July and December 2015, respectively. On 11 July 2016, the Australian Takeovers Panel made a finding of “**unacceptable conduct**” in respect the activities of Glovac, Tassone and Thomas and their corporate advisory business, GTT Ventures Pty Ltd. “Unacceptable conduct” included:
 - requesting the resignation of two of Sovereign's existing directors as part of GTT's agreement to underwrite a rights issue in July 2015;
 - distribution of the shortfall and placement of the July 2015 rights issue by GTT to Glovac, his family members, colleagues and clients, thereby serving his and his associates own self-interest;
 - a further request that the only remaining director of Sovereign resign and be replaced with Mr Glovac as part of an agreement to distribute Sovereign shares; and
 - failing to declare an increase in the voting power of Sovereign shares above 20%.
- **XTV Networks Limited (previously Intercept Minerals):** Charles Thomas and Rocco Tassone appointed to the board in February 2015, suspended in April 2016, Mr Thomas and Mr Tassone resign in June 2016. **XTV remains suspended from trading on ASX.**
- **Applabs (previously AACL Holdings):** Charles Thomas, Rocco Tassone and Patrick Glovac were appointed to the Board in 2013, AACL suspended for failure to lodge half year accounts in December 2014 and **subsequently delisted in January 2018.**
- **Viking Mines Limited:** Charles Thomas, Rocco Tassone and Patrick Glovac sought to have the existing directors of Viking removed in October 2017 and Mr Thomas and another nominee appointed pursuant to a section 249D request. The requisition was unsuccessful.

LACK OF DIRECTION OR CREDIBLE PLAN FOR THE COMPANY

The Requisitioning Shareholders' Statement provides no credible plan for the future of the Company and makes a number of statements which are unsubstantiated, selectively vague, inaccurate and/or incomplete.

The Requisitioners Shareholders' Statement notes a number of matters (referred to as “key pillars”) to delivering value to BKP Shareholders. This included a claim that Jason Brewer and Patrick Glovac have a “strong recent history of investing in and assisting companies acquiring mining projects for listed companies”.

We contend that the “key pillars” are inaccurate and potentially misleading for the following reasons:

- Patrick Glovac and Jason Brewer have provided **no relevant experience** in the exploration and production phases of Australian oil and natural gas projects, such as those which comprise the Company's most important assets.
- The Requisitioning Shareholders' Statement states that the incoming board will significantly reduce corporate and overheads and expenses but makes **no mention of proposed arrangements with the new directors.**
- The Requisitioners Shareholders' Statement also states the new directors will enhance internal compliance. Mr Glovac and his associates have had findings made **against** them by the Australian Takeovers Panel, and the existing directors have no

confidence that their appointment would strengthen the Company's regulatory compliance.

- Additionally, the existing Board has adopted corporate governance policies which are materially consistent with ASX recommendations.
- Mr Zielinski is a senior associate at a commercial law firm and Mr Glovac and Mr Brewer directors of other ASX-listed companies, **the Board is concerned as to the capacity of the proposed directors to commit the necessary time to Company affairs.**
- The proposed directors do not appear to have any material interest which would align them with existing shareholders. **Their motivation and capacity to generate shareholder wealth is to be questioned.**
- The proposal to change the current composition of the Board may simply be an **attempt to gain control of the Company without making a formal takeover offer and thereby depriving Baraka shareholders of a control premium.**
- The Requisitioning Shareholders' Statement also seeks to imply that share price performance is as simple as engaging with the investment community and media on general promotional matters. Share price performance is determined by the market and can be subject to many factors beyond individual control.

INACCURATE AND MISLEADING STATEMENTS

The Requisitioning Shareholders' Statement (drafted by Hustler Investments Pty Ltd) makes a number of statements which are inaccurate and/or misleading. These include:

- ***The Requisitioning Shareholders' Statement misleadingly implies that payments to the current board by the Company are excessive***

Collin Vost, Executive Chairman, is paid directors fees of \$24,000 per annum and the non-executive directors \$24,000 and \$12,000 per annum in director's fees. Each of the directors have been appointed on terms and conditions considered standard for a company of Baraka's size. The payments to each of the directors are well below the industry standard for executive and non-executive directors.

The Requisitioning Shareholders' Statement inflates the amounts paid to directors by aggregating a gross figure calculated over nearly a decade, which includes equity settled share-based payments, which are not short-term benefits (as contended by the Requisitioners).

The Requisitioning Shareholders' Statement disregards the successful capital raisings of which NYSPL had acted as lead manager, the introduction of assets of which NYSPL charged the Company no fee and the fact that NYSPL is paid rent on standard commercial terms under a lease for the Company's registered offices as well as other services such as bookkeeping and accounting services.

- ***Hustler misleadingly states that "the share price today traded 90% lower than at the time of Collin Vost's appointment in May 2009"***

At the time of Collin's appointment to the Board of the Company in April 2009, the Company had been suspended from trading on ASX for an extensive period and was nearing liquidation having recorded net losses of approximately \$48 million, from operating in two high risk sovereign countries. NYSPL assisted the Company by providing an interest free loan to the Company and raised approximately \$2.45 million to **help stabilise the financial well-being of the Company**, resulting in the Company's reinstatement of the Company's securities to the official list of the ASX on 15 July 2009.

Upon reinstatement, investors who participated in the placement saw their shares rise in value by 300% from \$0.02 cents per Share to \$0.8 cents per Share on opening. In March 2011, the share price rose more than 1400% to 3 cents.

In any event, share price performance is determined by the market and can be subject to many factors beyond individual control.

- ***In asserting that the current board have “failed to conduct a drilling program since November 2014” the Requisitioners ignore market conditions and the state of the Company’s assets***

Baraka has kept shareholders informed of any material developments in respect of its key projects, namely the EP127 permit and Iron Sands project in the Philippines. The Company is currently undertaking exploration and feasibility studies regarding potential prospects on the EP127 permit and will not be falsely persuaded to commence drilling without the completion of such studies and research. To do so would be reckless and irresponsible.

The Company believes that the recent lift of the ban on fracking will enable the Company, once it is satisfied with exploration results on the EP127 permit, to accelerate the move from an exploratory phase to a drilling and production phase.

- ***Wrongly claim that “Baraka provided an unsecured loan to a related party, being Cervantes Corporation Ltd, at an interest rate lower than the big four banks”***

The Directors have disclosed the loan to Cervantes Corporation Ltd in accordance with the ASX Listing Rules and the Corporations Act and have followed the Corporate Governance Principles and Recommendations in respect of the loan.

While Collin and Justin Vost are directors of Cervantes Corporation, they do not ‘control’ the Company and have not received any personal ‘financial benefit’ through the provision of the loan.

Interest is payable on the advances at 5.5% per annum or the equivalent of the National Australia Bank 90 day term deposit rate, whichever is the lesser, with a cap of 7% for the exposure period and loan period. The loan is on terms and conditions considered standard for a transaction of this nature.

Your Directors recommend you vote AGAINST ALL resolutions.

Collin Vost
Chairman
Baraka Energy & Resources

Justin Vost
Non-Executive Director
Baraka Energy & Resources

Ray Chang
Non-Executive Director
Baraka Energy & Resources

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STATEMENT TO BARAKA ENERGY & RESOURCES LTD SHAREHOLDERS
Baraka Energy & Resources Limited ("Baraka or BKP")

This information is provided to shareholders regarding the resolutions proposed in the 249D Notice.

I have requested the directors of BKP call a shareholders meeting to provide shareholders with the opportunity of appointing new board members that will assist in rebuilding shareholder confidence and value.

It is my intent to facilitate the meeting to provide members with a choice –

Continue with the current board who:

- Have extracted more than **\$2,456,474** between Collin Vost and Justin Vost in salaries and short-term benefits since 2009. Collin Vost has received a total **\$1,738,962** since his appointment on 18 May 2009 and Justin Vost has received a total **\$717,512** since his appointment on 15 March 2011.
- The share price today trades more than **90% lower** than at the time of Collin Vost's appointment (suspended at 3 cents), in May 2009.
- Failed to conduct a drilling program since November 2014, almost three and a half years ago.
- Provided an UNSECURED \$500,000 loan to Cervantes Corp Ltd (ASX:CVS) at a minimal rate of 5.5% and capped at 7% (lower than current unsecured interest rates available from the big four banks). The Directors have NOT labelled this UNSECURED loan as a related party transaction. Both Collin Vost and Justin Vost enjoying a majority board control position in CVS.
- Failed to secure new and prospective assets that would promote shareholder wealth and a new direction for the company.

OR

Elect a new dynamic and experienced team with a clear plan and focus to deliver value for long suffering shareholders as summarised below.

Summary of plan for BKP proposed by new directors.

Dear Shareholder,

I have set out the five key pillars to delivering value for BKP shareholders, and appointing a board that have a proven track record in acquiring prospective assets, geological experience, legal compliance and capital raising ability.

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1. Commence the company transformation by acquiring advanced high-quality mining project/s:

Jason Brewer and Patric Glovac have a proven track record in providing significant shareholder value for companies seeking direction. Having recently transformed ASX listed Force Commodities (ASX:4CE) into a financially stable Lithium exploration company, the pair are excited to generate significant shareholder wealth to long suffering shareholders.

Both Jason Brewer and Patric Glovac have a strong recent history of investing in and assisting companies in acquiring mining projects for listed companies that deliver significant returns for shareholders.

Recent examples include AVZ Minerals Limited (ASX:AVZ), Lepidico Ltd (ASX:LPD) formerly Platypus Minerals Limited (ASX:PLP), Force Commodities Limited (ASX:4CE), Marquee Resources Ltd (ASX:MQR), Winmar Resources (ASX:WFE) and Vector Resources Ltd (ASX:VEC).

My intent is to provide the long-suffering shareholders of BKP with a board that has the ability to source and close significant acquisitions of advanced projects in recognised mining jurisdictions with a specific focus on Uranium, Lithium, Cobalt, Vanadium, Copper and Zinc.

2. Significantly Reduce Corporate Overheads and Expenses.

The incoming board will immediately look to review all short-term benefit payments, related party and non-related party payments made to BKP Directors, namely corporate consulting fees.

According to the 2017 Annual Report, **these payments (not including salaries) to Collin Vost and Justin Vost totalled \$334,221 for 2017.**

This figure is MORE THAN DOUBLE the \$152,141 spent on Exploration and Evaluation expenses by the company in the same period.

3. Enhance Internal Compliance

Chris Zielinski, a well-respected Corporate Lawyer will provide strict corporate governance and will look to review related party transactions and clarify undisclosed Director and related party shareholdings in BKP.

It is noted Cervantes Corp Ltd (ASX:CSV) is a shareholder in BKP. Both Collin Vost and Justin Vost enjoy majority board control position in CVS. They currently have the power to control the disposal of these shares together with the voting rights of these shares.

4. An experienced and motivated board

I have identified the persons below to deliver significant shareholder value and have signed consents to act and join the BKP board.

Mr Jason Brewer – Mr Brewer is a qualified mining engineer with a Master's degree, with honours, from the Royal School of Mines, London and has worked for a number of major global investment banks including Dresdner Kleinwort Benson, NM Rothschild & Sons (Australia) Limited and Investec Bank (Australia) Limited in London, Sydney and Perth where he had responsibility for structuring and arranging corporate and project financing facilities for mining companies operating in Asia and Africa.

Mr Brewer is currently a non-executive director of Winmar Resources Ltd (ASX:WFE), Vector Resources Ltd (ASX:VEC) and Executive Director of Force Commodities Ltd (ASX:4CE).

Mr Patric Glovac – Mr Glovac co-founded GTT Ventures in 2014, a boutique corporate advisory firm, specialising in the resource and technology sector.

Mr Glovac is currently executive director of Tao Commodities Ltd (ASX:TAO), non-executive director of ASX listed Cirrus Networks Limited (ASX: CNW), Robo 3D Limited (ASX: RBO) and Force Commodities Limited (ASX: 4CE).

Mr Chris Zielinski - Mr Zielinski is a Senior Associate in the corporate law firm, Nova Legal, with experience in mergers and acquisitions, capital raisings, ASX/ASIC compliance and commercial transactions with a focus on the resources and technology sectors. Mr Zielinski is a Member of the Australian Institute of Company Directors and an Associate of the Governance Institute of Australia.

5. Engage with shareholders and wider investment community

BKP shares closed on 12 June 2018 at \$0.0015, having **fallen 95%** since Collin Vost's appointment in May 2009 (\$0.03).

In my opinion the current board has failed in their duties to adequately do this. The daily volumes that transact in BKP are an obvious indication of this lack of engagement and interest in the company shares.

Once elected the board will actively engage with shareholders, stockbrokers, fund managers, and media to promote the company and attract the much-needed attention that is needed to deliver significant value for all shareholders.

I invite all shareholders to contact me if they require further information.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'John Zadeh', with a long horizontal stroke extending to the right.

John Zadeh
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