



## Baru Resources Limited

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30 January 2012

## DECEMBER 2011 QUARTERLY ACTIVITIES REPORT

### Board of Directors

Richard Anthon (Chairman)  
Kevin Nichol (Executive Director)  
Peter Avery (Non-executive Director)

### Chief Executive Officer

Matt Bull

### Company Secretary

Melanie Leydin

### Quarterly Share Price Activity

Low \$0.13  
High \$0.18  
Close \$0.16

### Securities on Issue:

**BAC:** 49,796,009 ordinary shares

### Market Capitalisation as at 27 Jan 2012:

\$6,971,411

### Highlights

The following highlights occurred during the December 2011 quarter:

- Negotiations for land access agreements are expected to be completed in early February. This will allow drilling to commence at the conclusion of the wet season at the West Galilee Project.
- Application was made for four (4) Exploration Coal permits during the quarter at the Longreach Project located in Central Queensland. This project is prospective for thermal coal within the Winton formation of the Eromanga Basin.
- Applications were also made for a further eleven (11) Exploration Coal permits at the Galilee Project located in central Queensland. This project is prospective for thermal coal within the Galilee and Eromanga Basins.
- Additional coal project areas were reviewed for potential joint venture or acquisition.
- On the 23<sup>rd</sup> of December a non-renounceable entitlement issue allowing existing shareholders to acquire one 20c option expiring on the 23<sup>rd</sup> of December 2016 for 0.1c for every two shares held at the record date.

The project area now comprises of 22 tenements (6 granted Coal Exploration Permits and 16 Coal Application Exploration Permits) covering a total of ~20,000km<sup>2</sup> within the Eromanga and Galilee Basins.

## About Baru Resources Limited

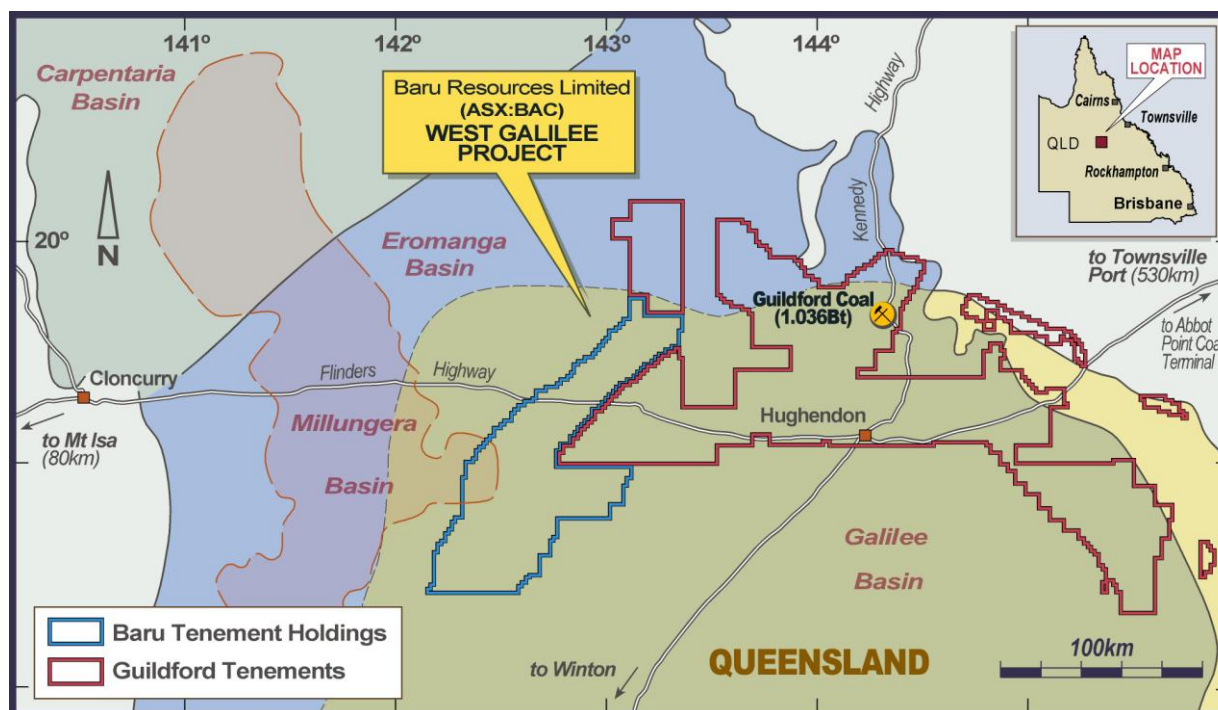
Baru Resources Limited (“Baru” or “the Company”) is an Australian public company that is focused on the identification and development of export hard coking coal and export thermal coal projects. The company has three projects areas all located in Queensland, the West Galilee Project, the Longreach Project and the Galilee Project.

During the quarter Baru applied for additional acreage within the prospective Eromanga and Galilee Basins.

## West Galilee Project

The Galilee Project is comprised of 6 Contiguous, granted Exploration Coal Permits and 1 application Exploration Coal Permit covering an area of 6,732.4km<sup>2</sup>. The project area is some 375km east of Mt Isa and 16km west of the town of Richmond, close to the northern margin of the Eromanga Basin, which overlies the Galilee Basin and the newly defined Millungera Basin (refer to **Figure 1**.)

All three basins are prospective for coal and will be the subject of a targeted drilling program to define the more prospective areas at the conclusion of the west season in 2012.



**Figure 1 - Regional Geology: Sedimentary Basins and Guildford Coals Surrounding Tenements and Deposit Location**

## Galilee Project

The Galilee Project consists of 11 EPCA's, 10,381.7km<sup>2</sup> in area. It is situated on the margin of the Galilee basin in Central Queensland (refer to **Figure 2**). There has been limited exploration for coal within the project area to date. Previous exploration on the tenure focused on petroleum exploration which intersected coal in the Winton formation within the Eromanga Basin and the Aramac and Betts Creek Beds within the Galilee Basin. An initial exploration program is currently being developed and will use the extensive seismic data covering the area as well as the historical petroleum holes in the area to define drilling targets.



Figure 2 - Regional Geology: Sedimentary Basins in the Galilee and Longreach Project areas

### Longreach Project

The Longreach Project comprising four (4) EPCA's totaling 3202.8km<sup>2</sup> in area, was pegged during the quarter. The Cretaceous age Winton Formation covers the entire project area as both outcropping and sub-cropping sedimentary units. The Winton Formation is prospective for thermal quality coal. The Galilee Basin extends under the two northern tenements EPC2837 and EPC2839 as shown in **Figure 2**.

Details of the West Galilee and Longreach Project and Galilee Project tenements are detailed within Tables 1, 2 and 3.

Table 1 - West Galilee Exploration Pty Ltd Tenement Details

Tenure	Status	Date Lodged	Date Granted	Date Expires	Principal Holder	No. of Sub blocks
EPC2072*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300
EPC2073*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300
EPC2074*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300
EPCA2075*	Application	04-Mar-10	TBA	TBA	West Galilee Exploration Pty Ltd	300
EPC2076*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300
EPC2077*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300
EPC2078*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300

\*Baru Resources earning 80% of Coal rights and 20% of UCG deposits with in these tenements under a JV agreement with West Galilee Exploration Pty Ltd.

*Table 2 – Longreach Project Tenement Details*

Tenure	Status	Date Lodged	Date Granted	Date Expires	Principal Holder	No. of Sub blocks
EPCA2837	Application	10-Oct-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2838	Application	10-Oct-11	TBA	TBA	Baru Resources Pty Ltd	231
EPCA2839	Application	10-Oct-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2840	Application	10-Oct-11	TBA	TBA	Baru Resources Pty Ltd	182

*The Longreach Project is 100% owned by Baru Resources.*

*Table 3 – Galilee Project Tenement Details*

Tenure	Status	Date Lodged	Date Granted	Date Expires	Principal Holder	No. of Sub blocks
EPCA2909	Application	13-Dec-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2910	Application	13-Dec-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2911	Application	13-Dec-11	TBA	TBA	Baru Resources Pty Ltd	279
EPCA2912	Applications	13-Dec-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2913	Applications	13-Dec-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2914	Applications	13-Dec-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2916	Applications	13-Dec-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2917	Applications	13-Dec-11	TBA	TBA	Baru Resources Pty Ltd	298
EPCA2918	Applications	13-Dec-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2919	Applications	13-Dec-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2920	Applications	13-Dec-11	TBA	TBA	Baru Resources Pt Ltd	300

*The Galilee Project is 100% owned by Baru Resources.*

**For further information:**

**Kevin Nichol**  
**Executive Director**

***Competent Person's Statement***

*The information in this release relating to exploration is based on information compiled by Ms M. Kelly who is a member of the Australian Institute of Geoscientists (AIG). Ms M. Kelly is an Independent Geological Consultant to Baru Resources Ltd and consents to the inclusion in this type of report of the information presented. Ms M. Kelly has over thirty years of geological experience and has sufficient experience relevant to the style of mineralisation and to the type of activity described to qualify as a competent person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.*