



## Baru Resources Limited

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5 April 2012

## MARCH 2012 QUARTERLY 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 \$0.10

High \$0.15

Close \$0.10

### Securities on Issue:

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

**BACO:** 42,898,005 20c listed options

### Market Capitalisation as at 5 April 2012:

\$5,477,561

### Highlights

The following highlights occurred during the March 2012 quarter:

- Acquisition of the remaining interest in the West Galilee Project for a consideration of \$250,000. Baru Resources Ltd ("Baru" or the "Company") now owns a 100% interest within this project which is prospective for both thermal coal and underground coal gasification.
- As a result of the acquisition the Company is now re-accessing the planned exploration program. This may include deepening the planned holes to target coal seams that are considered prospective for underground coal gasification.
- Several coal and Iron ore project areas were reviewed and site reconnaissance visits conducted during the quarter on the islands of Sumatra and Kalimantan in Indonesia. Due diligence on these projects is currently continuing.
- On the 10 February 2012 a placement of eighteen million 20c options expiring on the 23<sup>rd</sup> of December 2016 for 0.1c each was announced. This issue was subsequently ratified by shareholders at a general meeting on the 4<sup>th</sup> of April 2012 raising at total of \$18,000.
- The Queensland wet season began late 2011 and continued throughout the quarter. The ground is now drying out and the drilling season is now upon us.

Baru Resources Ltd's total project area comprises 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, Queensland.

## About Baru Resources Limited

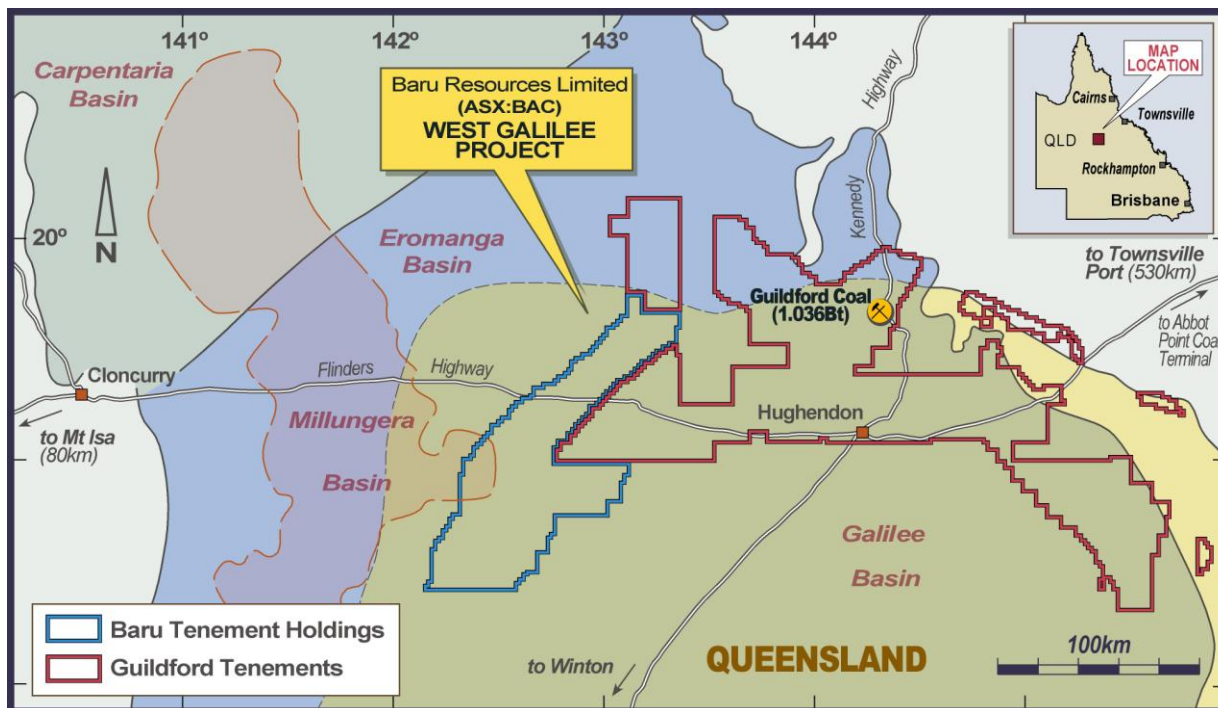
Baru Resources Limited (“Baru” or “the Company”) is an Australian public company that is focused on the identification and development of export hard coking coal and export thermal coal projects. The company has three projects areas all located in Queensland, the West Galilee Project, the Longreach Project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

## West Galilee Project

The Galilee Project is comprised of 6 Contiguous, granted Exploration Coal Permits and 1 Exploration Coal Permit Application 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.

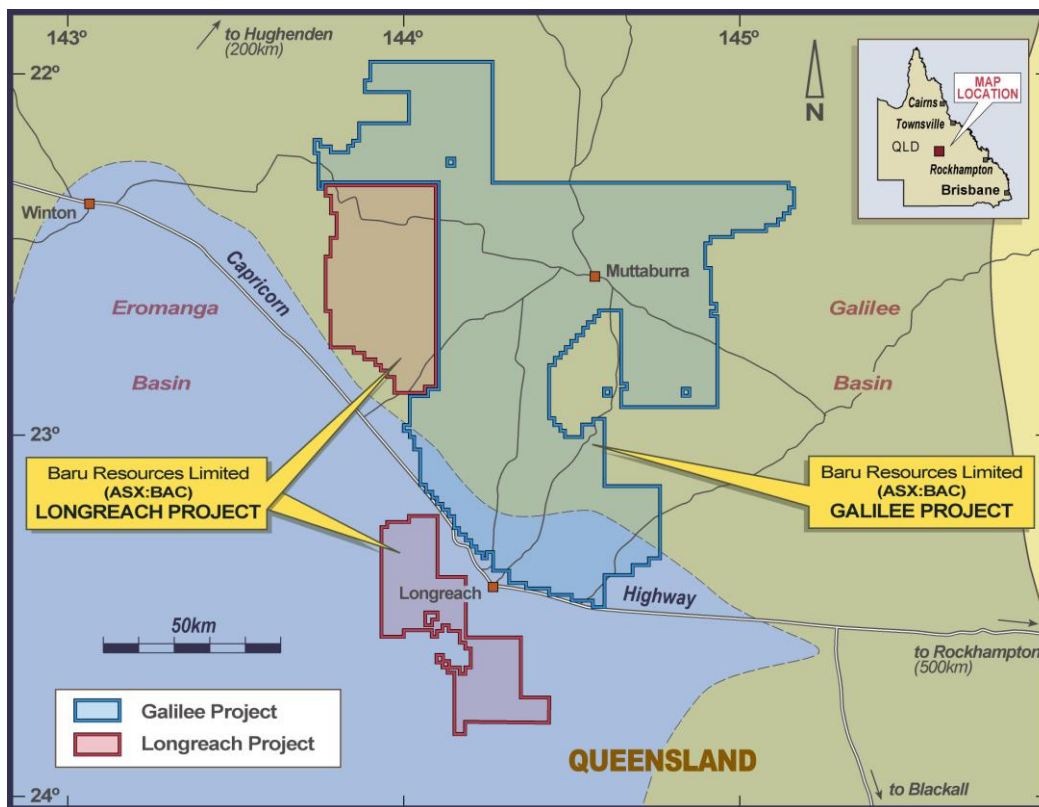
The Company entered into a joint venture agreement with West Galilee Exploration Pty Ltd (“WGE”) on 3<sup>rd</sup> August 2011 to acquire 80% of the coal activities and 20% of the underground coal gasification activities with the tenements detailed in Table 1 for a total exploration expenditure of \$2 million. During the quarter the Company acquired the remaining interest in the project tenements from WGE. The remaining interest consisted of a 20% interest in coal mining rights and 80% interest in underground coal Gasification rights to the 7 tenements that make up the West Galilee Project for a consideration of \$250,000 cash.



*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. The project 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 consists of four (4) EPCA's totaling 3202.8km<sup>2</sup>. The Cretaceous age Winton Formation covers the entire project area as both outcropping and sub-cropping sedimentary units. The Winton formation has been the subject on a significant increase in exploration over the last 12 months and two large tonnage thermal coal deposits have already been identified including a 728Mt Resource by International Coal (ICX) and a 1.2Bt Resource by East Energy Resources (EER). NSL Consolidated (NSL) and Coal Bank resources (CBQ) also have projects targeting the thermal coal within the Winton Formation. 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

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

*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 Limited	300
EPCA2838	Application	10-Oct-11	TBA	TBA	Baru Resources Limited	231
EPCA2839	Application	10-Oct-11	TBA	TBA	Baru Resources Limited	300
EPCA2840	Application	10-Oct-11	TBA	TBA	Baru Resources Limited	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 Limited	300
EPCA2910	Application	13-Dec-11	TBA	TBA	Baru Resources Limited	300
EPCA2911	Application	13-Dec-11	TBA	TBA	Baru Resources Limited	279
EPCA2912	Applications	13-Dec-11	TBA	TBA	Baru Resources Limited	300
EPCA2913	Applications	13-Dec-11	TBA	TBA	Baru Resources Limited	300
EPCA2914	Applications	13-Dec-11	TBA	TBA	Baru Resources Limited	300
EPCA2916	Applications	13-Dec-11	TBA	TBA	Baru Resources Limited	300
EPCA2917	Applications	13-Dec-11	TBA	TBA	Baru Resources Limited	298
EPCA2918	Applications	13-Dec-11	TBA	TBA	Baru Resources Limited	300
EPCA2919	Applications	13-Dec-11	TBA	TBA	Baru Resources Limited	300
EPCA2920	Applications	13-Dec-11	TBA	TBA	Baru Resources Limited	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.*