



Baru Resources Limited
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1 February 2012

NON-RENOUNCEABLE OPTION ENTITLEMENT SHORTFALL NOTICE

Board of Directors

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

Chief Executive Officer

Matt Bull

Company Secretary

Melanie Leydin

Securities on Issue:

BAC: 49,796,009 ordinary shares

The Board of Baru Resources Limited (**ASX: BAC**) advise that pursuant to the Short Form Prospectus dated 23 December 2011 in relation to the Company's non-renounceable pro-rata Option Entitlement Offer ("Offer"), the Offer closed on 27 January 2012.

The Company wishes to advise that it has received entitlement acceptances in respect to **20,033,832 options**, representing 80.46% of entitlements, with the total funds received from the entitlement acceptances being **\$20,033.82**.

The shortfall of **4,864,173 options** will be placed at Directors discretion over the next three months.

Yours sincerely,
BARU RESOURCES LIMITED

A handwritten signature in black ink, appearing to read "Melanie Leydin", is written over a light blue horizontal line.

MELANIE LEYDIN
Company Secretary