



Baru Resources Limited

West Galilee Project September 2012

Forward Looking Statement and Disclaimer

The presentation contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, information with respect to the future financial and operating performance of the Company, its affiliates and subsidiaries, the estimation of mineral reserves, mineral resources and exploration targets, realization of mineral reserves and resource estimates, costs and timing of development of the Company’s projects, costs and timing of future exploration, timing and receipt of approvals, consents and permits under applicable legislation, results of future exploration and drilling and adequacy of financial resources. Forward-looking information is often characterized by words such as “plan”, “expect”, “budget”, “target”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words or statements that certain events or conditions “may” or “will” occur.

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Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Company made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the Company’s ability to carry on its exploration and development activities, the timely receipt of required approvals, the price of coal, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

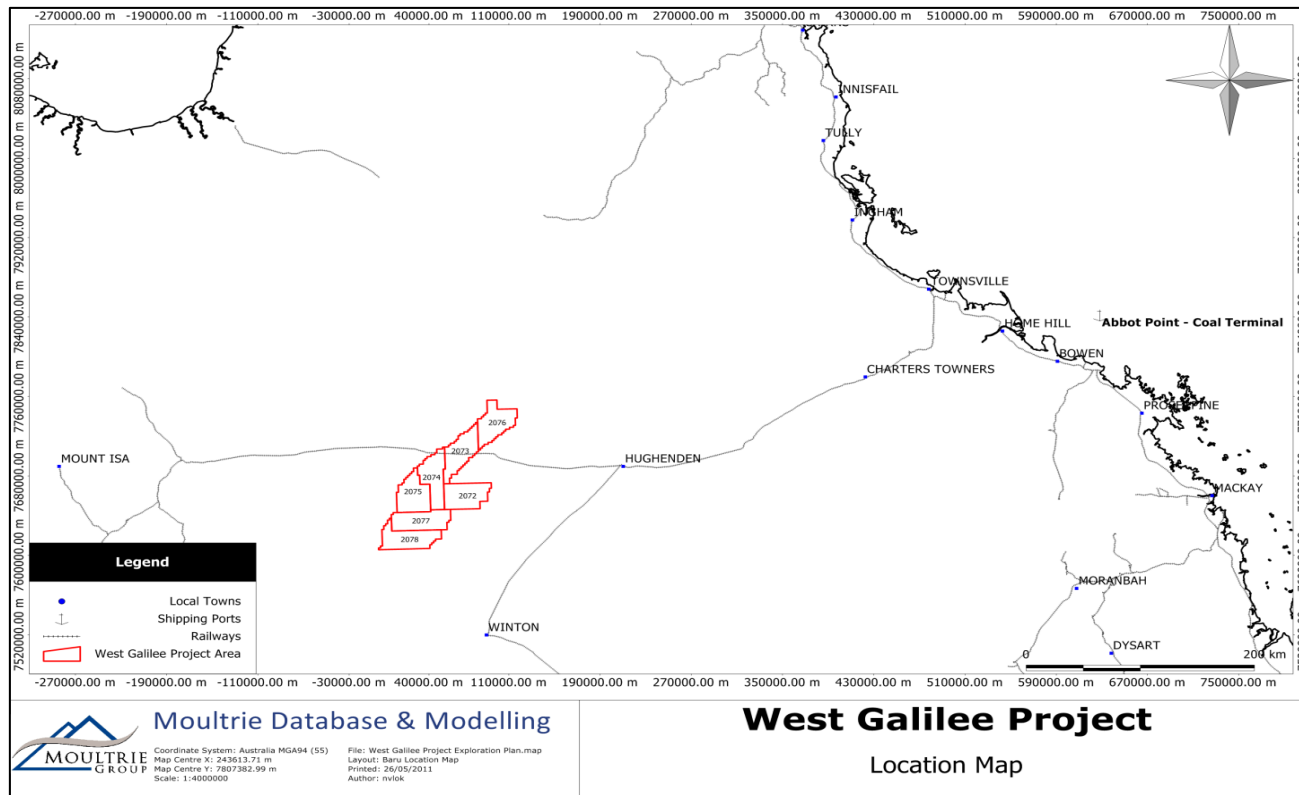
West Galilee Project

- Large scale coal exploration targets for prospective targets in under explored North Western Galilee Basin
- The objective is to define economically feasible resources
- Significant exploration programs in the surrounding area.
 - Betts Creek Beds to the east; and
 - Winton Formation to the South

West Galilee Project

- 7 granted EPCs
- 100% ownership
- Large area – 2,100 sub blocks (6732.4 sq km)
- Approval for initial exploration program received
 - no native title or strategic cropping issues

West Galilee Project - Location



West Galilee Project – Coal Geology

- Three sedimentary basins:
 - Galilee Basin,
 - Millungera Basin; and
 - Eromanga Basin
- Galilee and Eromanga known to be coal bearing
- Millungera – recently delineated and interpreted as potentially coal bearing
- Area largely unexplored for coal despite being adjacent to reported large tonnage deposits

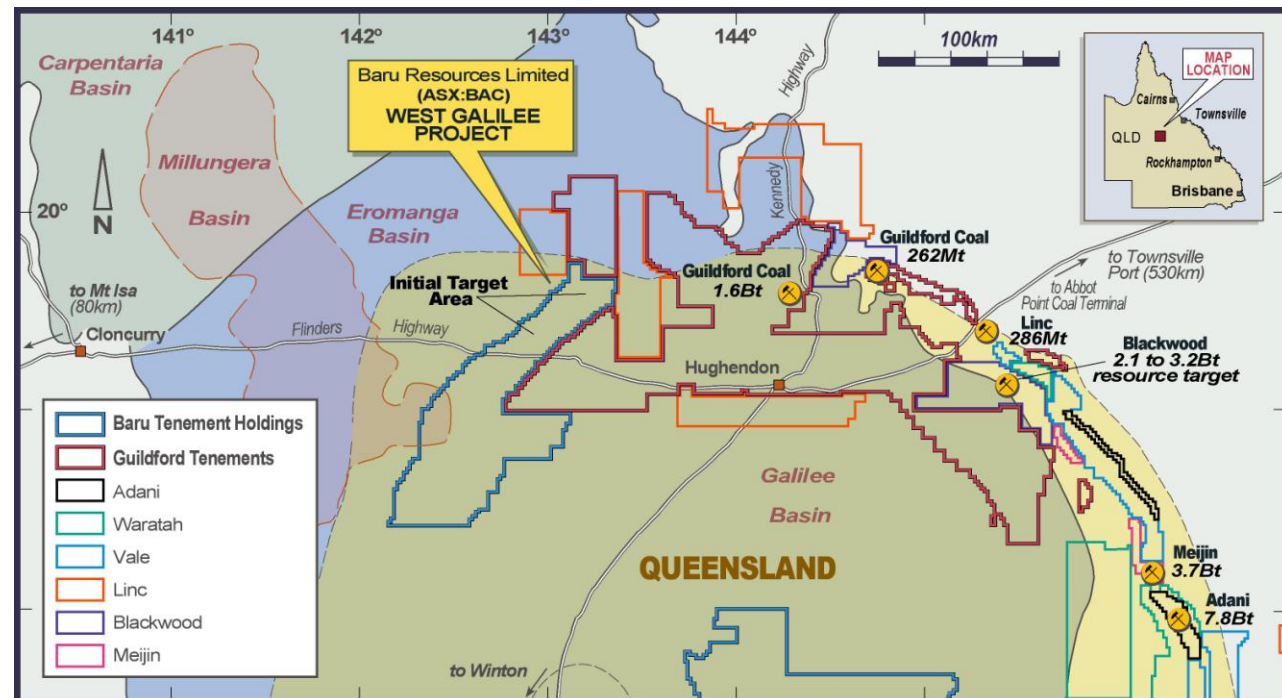
West Galilee Project – Coal Geology

- Galilee Basin – sub crops in the north, Betts Creek Beds reported cumulative thickness of 10 - 15m
- Eromanga Basin - hosts economic thermal coal within the Winton Formation
 - Winton Formation at surface on EPC 2078
- Millungera Basin – sits on heat producing granite
 - Potential granitic source upgrading to coking coal

West Galilee Project – Adjacent Activity

Intensive drilling ongoing on the margin of the Galilee Basin.

- Many large thermal coal deposits identified.
- Same seams expected to continue into the Baru Tenements

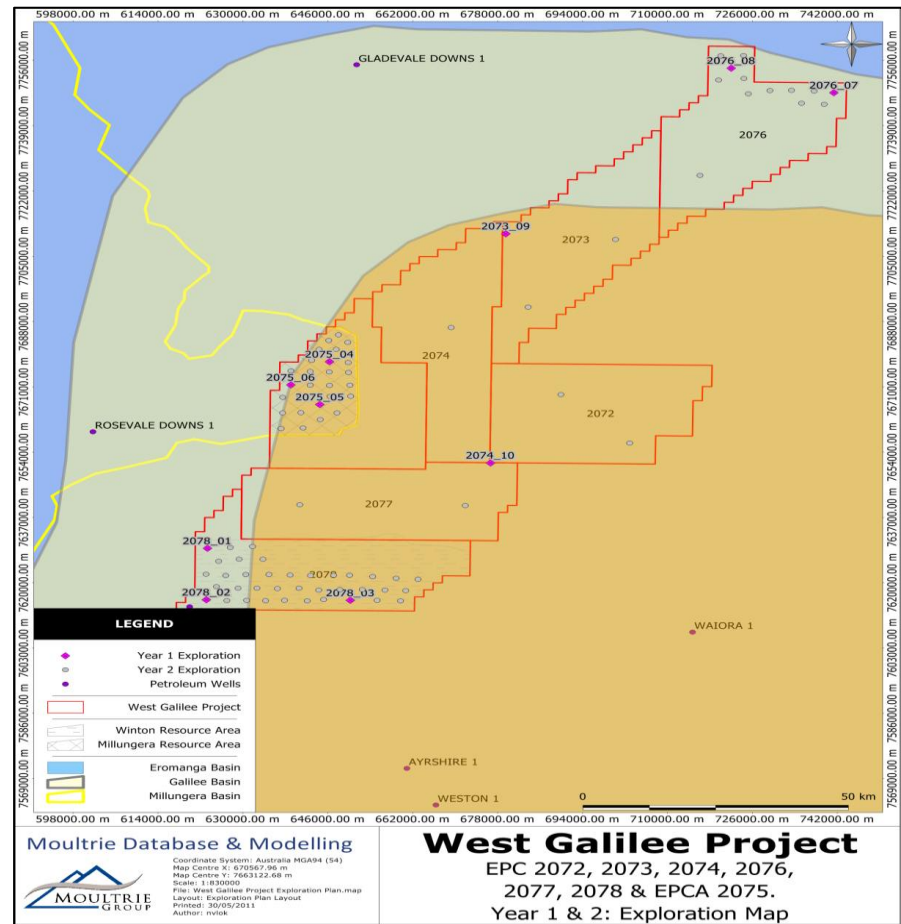


West Galilee Project – Planned Exploration Program

The initial drilling program will be focused on two main exploration targets.

- The Betts Creek Beds in the Galilee Basin
- The Winton Formation in the Eromanga Basin

Prior to commencing drilling Baru Resources Ltd plan on conducting a seismic studies to identify the areas where the Betts Creek Beds occurs close to the surface.



West Galilee Project - Exploration Potential

Tenure	Formation	Area (Sq km)	Cumulative Thickness (m)	Average Depth (m)	Expected Raw Calorific Value (kcal)	Gross Tonnage (Mt)	Unexpected Geological Loss (%)	Exploration Target (Mt)
EPC2072	Allura	34.1	2	35 - 150	4700 - 5050	102.3	35	5 - 70Mt*
EPC2076	Allura	46.5	2	35 - 150	4700 - 5050	139.5	35	5 - 95Mt*
EPC2078	Winton	111.7	3	25 - 200	4850 - 5200	486.0	30	100 - 400Mt*

A resource target for EPC2078 and 2076 will be defined, for the Betts Creek Beds, at the completion of the first round of drilling.

* Regardless of actual coal quality results, coals from all Formations have been given an average wet, insitu density range of 1.45 - 1.55 g/cc; Total tonnages in situ estimated with non-weathered seams un-intruded and >0.3m. Based on density log coverage seams, with raw ash >50% (adb); Unexpected geological loss mainly due to seam splitting and thinning over large distances between boreholes; It should be noted that the tonnages quoted above are conceptual in nature and there has been insufficient exploration to define a coal resource; Little coal quality data within the project area was uncovered in previous reports for the Winton Formation Seam package; Although a preliminary analysis was undertaken, insufficient data exists to confidently correlate coal seams and generate a grid mesh model. However, further exploration is likely to lead to the reporting of a JORC-standard resource; There is some evidence to support the current exploration tonnage calculations, and the sufficient coal thicknesses interpreted from historic drilling to warrant further investigation in some areas.

West Galilee Project – Infrastructure

- Project area intersected by Mt Isa – Townsville Rail line (Eastern Rail Corridor)
- Ports – Townsville and Abbott Point
 - Townsville Port upgrade in progress
 - Abbot Point Coal Terminal expansion in progress

West Galilee Project - 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	Granted	04-Mar-10	13-Jun-11	12-Jun-14	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

**West Galilee Exploration Pty Ltd is 100% owned by Baru Resources.*

West Galilee Project – Summary and Strategic Outlook

- Ongoing and increasing demand for export thermal coal
- Large underexplored prospective ground with identified targets

Directors and Management

- **Peter Avery – Non Executive Chairman**
 - 20 years experience in the stockbroking industry
 - Broad capital raising and capital management experience in the resource industry
- **Kevin Nichol – Executive Director**
 - Previous successful coal experience
 - Extensive broker and corporate contacts and experience
 - Successful corporate advisory roles
- **Andrew Bald– Non Executive Director**
 - 25 years experience in banking and corporate finance
 - Experience in investment banking managing balance sheet and trading risks

Contacts

- Kevin Nichol – Executive Director
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Declaration

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QUALIFICATIONS AND EXPERIENCE

This Report has been prepared by Mark Biggs for and on behalf of Baru Exploration. Mark Biggs has over 32 years of experience in base metal, industrial mineral, coal exploration and mine evaluation throughout Australia, of which 27 years has been in modelling coal deposits. He has worked extensively within the Bowen and Surat Basins and was resident at several Central Queensland coal mines for 22 years. He has held a number of roles in these mine's Technical Services, including Senior Geologist, Chief Geologist, Coal Quality and Scheduling Superintendent and Acting Technical Services Manager. He is a Competent Person for coal as defined by the JORC Code (2004) and has extensive experience in open cut and underground exploration techniques, geophysical techniques, coal quality, geotechnical and structural modelling, mining, and scheduling.

Mark is the Principal Geologist for the Moultrie Group and works for the Database and Modelling division (MDM), which has been operating since 2007. His principal qualifications are a B. App. Sci. from the Queensland University of Technology and a M. App. Sci. from the same institution. Mark is a Member of The Australasian Institute of Mining & Metallurgy and a Member of the Geological Society of Australia.

COMPETENT PERSON'S STATEMENT

The estimates of the Coal Resources presented in this Report are considered to be a true reflection of the Coal Resources as at 10th May 2012 and have been carried out in accordance with the principles and guidelines of the Australian Code for Reporting of Coal Resources and Coal Reserves published in September 2004 (JORC Code). Where quoted, it should be noted that where Exploration Target tonnages calculated in the report they are considered non-JORC and are conceptual in nature. There has been insufficient exploration to define a Coal Resource and that it is uncertain if further exploration will result in the determination of a Coal Resource.

Name	Job Title	Registration	Experience (Years)	Signed
M Biggs	Principal Geologist Moultrie Database & Modelling	AusIMM 107188	27	