



## Baru Resources Limited

ACN 147 324 847 ABN 50 147 324 847  
Suite 304, 22 St Kilda Road, St Kilda, VIC 3182  
Phone: (03) 9692 7222  
Fax: (03) 9529 8057  
Email [generaladmin@baru.com.au](mailto:generaladmin@baru.com.au)  
Website [www.baru.com.au](http://www.baru.com.au)

29 December 2011

Dear Shareholder,

### Re: Baru Resources Limited – Notice to Shareholder

The Share Register for Baru Resources Limited (**Company**) indicates that you are a Shareholder.

Notice is given to you that the Company intends to undertake a non renounceable pro-rata rights issue of Options (**Rights Issue**), available for subscription by existing holders of ordinary shares in the Company on the basis of one (1) option for every two (2) existing shares held in the Company. The Options will have an issue price of \$0.001 (one tenth of a cent each) to be paid for on subscription with an exercise price of \$0.20 per share expiring 5.00pm (WST) on 23 December 2016. Each option, if exercised, will convert into one fully paid ordinary share.

As a shareholder, you are entitled to participate in the issue of Options under the Rights Issue prior to the record date selected by the Company for determining entitlements to participate in the Options issue, being 7.00pm (WST), 6 January 2012 (**Record Date**).

The Rights Issue is being made pursuant to a Prospectus prepared in accordance with section 713 of the *Corporations Act 2001* (Cth). The Prospectus will contain detailed information about the Rights Issue and the effect of the Rights Issue on the Company. The Company will send the Prospectus to all eligible shareholders on 12 January 2012.

Up to 24,898,005 Options could be issued (subject to rounding) under the Rights Issue offer which is intended to raise working capital for the Company. The Company has applied for ASX quotation of the Options which will be issued. The Rights Issue offer is not underwritten.

If there is a shortfall, directors will use their best endeavours to place as many shortfall securities to places selected by them at the directors' discretion. The Rights Issue offer will be restricted to Shareholders who are recorded at Australian or New Zealand addresses in the Company's Share Register.



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A more detailed timetable for the Rights Issue offer is as follows:

<b>EVENT</b>	<b>DATE</b>
Lodgment of Prospectus with ASIC and Appendix 3B with ASX on announcement of Offer	23 December 2011
Notice sent to Shareholders	29 December 2011
Ex Date for determining Entitlements	30 December 2011
Record Date for determining Shareholder Entitlements – 7.00pm (WST)	6 January 2012
Prospectus dispatched to Shareholders and announcement that dispatch has been completed	12 January 2012
Closing Date of Offer- 5pm WST	27 January 2012
Securities quoted on a deferred settlement basis	30 January,2012
Notify ASX of under-subscriptions	1 February 2012
Dispatch date/Options entered into Shareholders' security holdings. Confirm Appendix 3B. Deferred trading ends.	6 February 2012
Trading of Options issued pursuant to the Offer expected to commence on ASX	7 February 2012

\*These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including, but not limited to, extending the Closing Date or accepting late applications, either generally or in particular cases, without notifying you. You are encouraged to submit your application as soon as possible. Any extension of the Closing Date will have a consequential effect on the date of the issue of the Options. The Offer does not require the approval of Shareholders.

If the Rights Issue offer is fully subscribed then approximately \$24,900 will be initially raised from this offer.

Yours faithfully,  
**Baru Resources Limited**

A handwritten signature in black ink, appearing to read "Melanie Leydin".

**Melanie Leydin**  
**Company Secretary**