



Baru Resources Limited

ACN 147 324 847 ABN 50 147 324 847
Level 4, 100 Albert Road, South Melbourne, VIC 3205

Phone: (03) 9692 7222

Fax: (03) 9077 9233

Email : generaladmin@baru.com.au

Website: www.baru.com.au

9 October 2013

Area 51 Graphite Projects in Namibia

Board of Directors

Peter Avery (Chairman)

Kevin Nichol (Managing Director)

Ian Lovett

Philip Thick

Danie Van Den Bergh

Company Secretary

Melanie Leydin

Securities on Issue:

BAC: 142,474,719 ordinary shares

BACO: 42,898,005 20c listed options

BACU: 12,500,000 9c unlisted options

BACUA: 1,000,000 20c unlisted options

The Directors of Baru Resources Limited ('Baru', 'BAC' or 'the Company') provide the following update on the exploration licences of Argosy Minerals Limited.

The Area 51 Graphite Project in Namibia:

EPL 4335 & EPL 4079. Phase One.

A Namibia site visit was carried out between the 22nd and 25th of September 2013. During the visit, three main areas of initial interest were investigated and samples were taken. A decision was made to appoint Minron Consultants as the geological consultants and Gregory Symons Geophysics ("GSG") as the geophysical team. Both of these consultants are locally based.

The exploration proposal includes an Exploration Plan covering the target areas in detail traverses access routes, geophysics (external) Geographic Information System Work, sampling points and time frames.

Little exploration and geological investigation work has been performed in the area. Previous exploration work for tin and tungsten identified promising lithologies of graphite schists in the area. These results were never tested for grade.

The potential for exploration and finding graphite rich deposits will be within the sections of the Karibib and Chuos Formations. Both these formations contain a number of different rock lithologies. These layers host units of graphite shists which are of specific interest.

Once the mapping which defines the project area is completed, the demarcation of the host area of graphite can be determined. Metallurgical test work on collected samples will indicate the liberalisation potential and hence the potential economic viability of the project area. GSG will perform the metallurgical sampling and testing in South Africa.



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Electro Magnetic Conductivity (EMC) analysis and Induced Polarity (IP) will commence in conjunction with the other initial field work to be carried out. We will systematically define the targets before a drilling program is planned. Drilling on defined targets is planned for the first quarter of 2014.

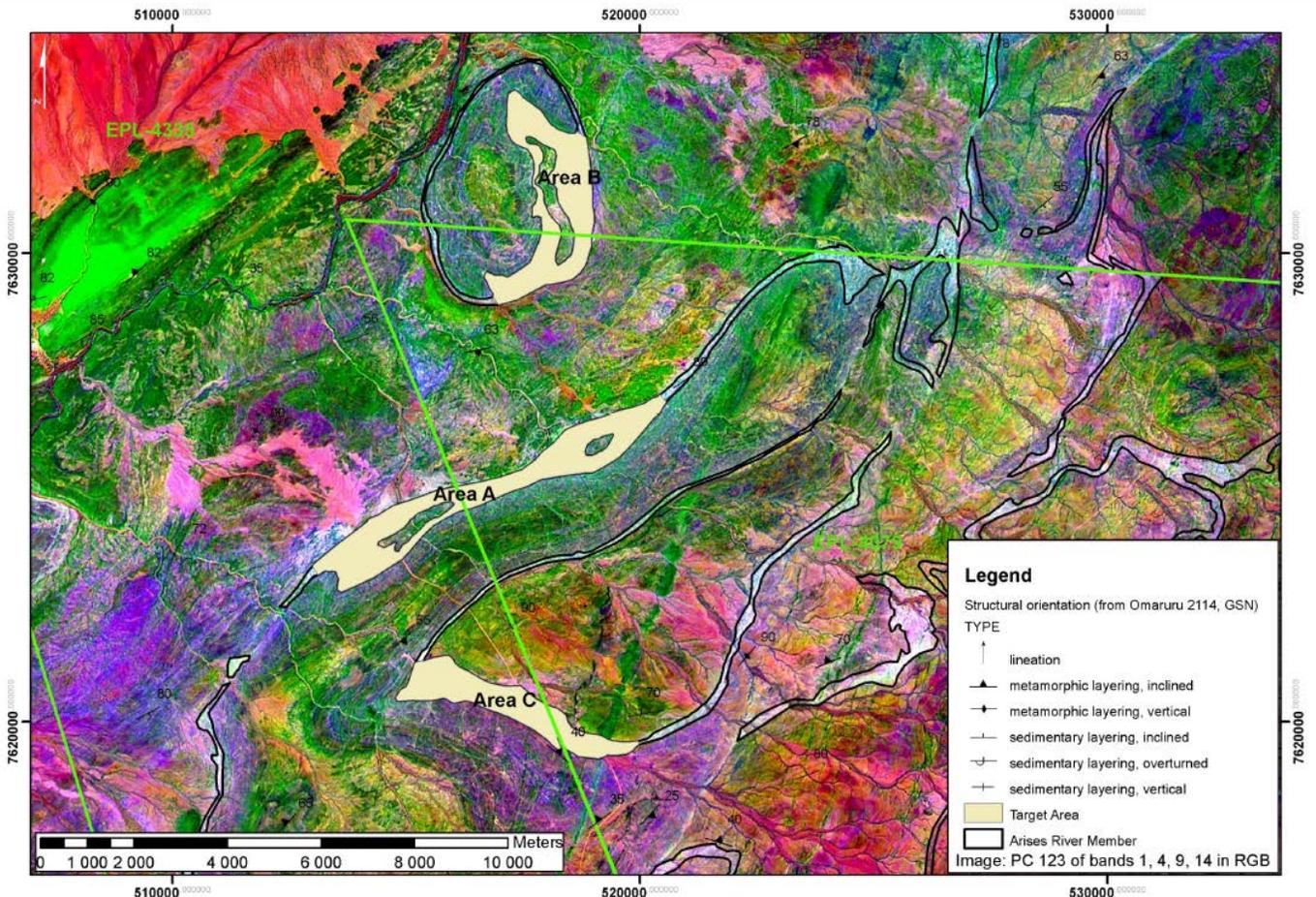


Figure 1: Current target areas

Work will commence on or about the 21 October 2013 and initial results will be due around the time of the Company's 2013 Annual General Meeting, which is expected to be held in Perth in mid-November 2013.



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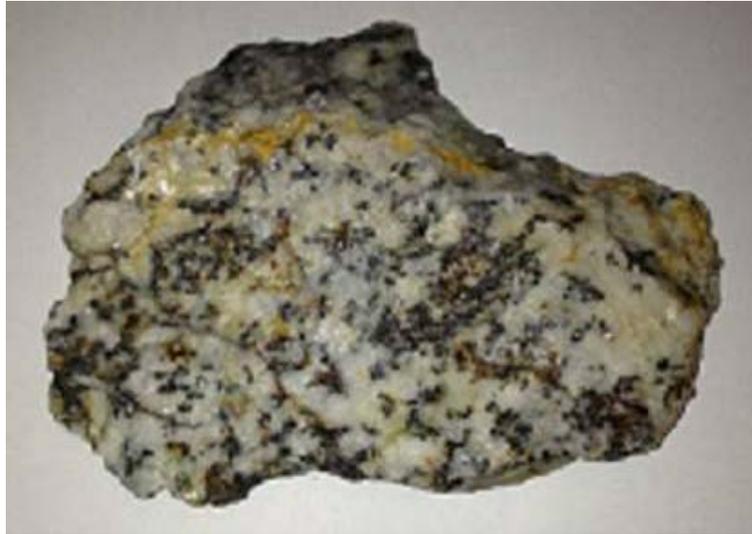


Figure 2: Graphite Sample taken from site

For further information:

Kevin Nichol
Managing Director

Email: kevin@baru.com.au

About Baru Resources Limited

Baru Resources Limited ("Baru" or "the Company") is an Australian public company that is focused on the delimitation and development of the Area 51 Graphite Project in Namibia. The Company is currently in the process of an Off-market takeover of all the shares in Argosy Minerals Limited.