

11 April 2012

Balamara placed on short list for world-class Togo Phosphate Project

Balamara Resources (ASX: BMB) ("Balamara" or the "Company") is pleased to advise that the Government of Togo has notified the Company that it has been placed on a short-list of bidders looking to become a partner in the Togo Phosphate Project.

A letter sent to Balamara on behalf of Togo's Minister for Mines and Energy states that only five companies have been selected to "go to the next procedure".

Balamara understands that this will involve the Company having a range of discussions with the Government and its representatives about Balamara's proposal to be the Togo Government's mining partner at the Phosphate Project.

The area which is covered by the project is adjacent to the existing phosphate mine and it has been previously drilled with a regular drill pattern. Subsequently a large number of samples were collected and assayed. The size and grade of the project has been previously estimated giving a narrow exploration target range.

The Togo Phosphate Project has an exploration target size of 2 to 2.1 billion tonnes of mineralisation at a grade ranging from 14.5 to 15.5 per cent P_2O_5 *. There are discrete zones in the order of 80-100 million tonnes having average grades in the range of 18-20 per cent P_2O_5 .

*(*The potential quantity and grade is conceptual in nature; there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. It is stated above as a range of tonnes and grades of mineralised material. It should be read in conjunction with the Accompanying Notes** at the bottom of this announcement.)*

Balamara believes the material can be beneficiated to a +30 per cent P_2O_5 and sold as Direct Shipping Ore (DSO). The Togo Government has requested that tender documents outline plans to ramp up production to 10 million tonnes of rock phosphate a year.



Balamara is confident that a DSO operation of this magnitude would have the potential to generate exceptional financial returns and operating margins. The Project's strong economics would be underpinned by the low-costs stemming from the size and shallow depths of the ore body and its close proximity to the port and capital city of Lome.

The Togo Government plans construction of a phosphoric acid plant and Balamara believes that most of the DSO material will be sold internally.

Balamara has every reason to believe that its extensive knowledge of the Project and the support it has secured from Tier One international partners in the tender process mean it can play a pivotal role in helping to ensure that development of the resource generates strong returns for all stakeholders, including the people of Togo.

The quality and experience of the global partners assisting Balamara in the process would enable the Company to assemble a development consortium with extensive expertise in large-scale resource projects.

ENDS

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****Accompanying Notes:**

The above figures are based on a detailed review of the Togo Phosphate deposits undertaken by Balamara personnel during a visit to Togo in March/April 2009. The official figures are held by Office Togolais Des Phosphates. The review comprised:

- a. Literature reviews of available reports and documents;*
- b. Meetings in the capital Lome with senior personnel from Société Nouvelle des Phosphates du Togo (SNPT) which is the Togo state Phosphate Company;*
- c. A review of operations at site and extensive discussions with senior SNPT operations personnel, and*
- d. Visits to the mining and processing operations.*

The official sections and levels plans of the unexploited areas were provided to Balamara. Classical sectional methods have been used to estimate the amount of mineralized materials. It was possible to check the grades and thicknesses of selected mineralized zones and to calculate surface areas, volumes and possible tonnes and to compare these with the official Togolese calculations for the same zones.



Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Kevin Alexander. Mr. Alexander is a full time employee of Balamara Resources Limited. Mr. Alexander is a member of The Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists.

He has sufficient experience that is relevant to the style of mineralization under consideration and to the activity which he is undertaking to be qualified as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting on Exploration Results, Mineral resources and Ore Reserves".

Mr. Alexander consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

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