



**BALAMARA**

RESOURCES LIMITED

[ASX Code: BMB]

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Company Announcements Office  
Australian Securities Exchange

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## Investor Presentation

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Balamara Resources Limited (“Balamara” or the “Company”) wishes to advise shareholders that the Company’s Managing Director, Mike Ralston, is currently conducting a marketing roadshow at the Resource Rising Stars event, held in Queensland.

The presentation which is being used at the conference is attached below.

Yours faithfully

Daniel Kendall  
Company Secretary

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# BALAMARA

RESOURCES LIMITED

## *Repositioning for Growth...*

- New World-Class Nowa Ruda Coking Coal Project secured in Poland
- Togo Phosphate tender progressing
- Divesting existing European base metals portfolio to enhance shareholder value

Resources Rising Stars – October 2013

ASX: BMB



# Disclaimer

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## General Corporate Disclaimer:

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# Why Buy Balamara (ASX:BMB)?

## Why Junior Resources?

- This is a junior resources conference – no blue chip, banking or defensive stocks here....higher risk = higher return
- Junior resource stocks offer a “multiple bagger” opportunity – particularly after the last 12 months...
- In order to get this upside you need to pick the better companies available and actually BUY the shares. No other way to participate!

## Why Balamara?

- Well-funded ASX-listed resource development company (BMB) with the considerable backing of a 35% cornerstone shareholder
- Major new Coking Coal Project recently added in low sovereign risk + low operating cost location (Poland)
- Considerable blue sky opportunity for another major project to be added (Togo Phosphate) in the near future
- I am here to build a real mid-tier mining company and for me this is more than just “lifestyle”



# Corporate Overview

## Well-funded ASX-listed resource development company (BMB)

- Market cap: ~\$32M (327M shares @ 10c)
- Cash in bank - \$4.5M

***Focused on the low-cost acquisition of Tier One resource projects in quality locations and adding significant value as we develop them towards production***

## Experienced board:

- Chairman: Derek Lenartowicz (mining engineer);
  - Former GM of BHP's vast Mt Keith nickel mine; experienced mine developer and operator
  - Polish extraction – network, language, contacts, experience
- Managing Director: Mike Ralston (corporate/finance);
  - Experienced in developing junior listed resource companies into mid-tier miners
  - Built Kangaroo Resources (coal) to +\$600m market cap + sale in 2 years/2011

## Major shareholders:

- Directors = 17%
- Ample Skill Ltd (strategic Singaporean investor) = 35%



# Core Strategy

***Balamara is aiming to bring at least 1 Tier One resource project into production within the next three years***

## **Definition of “Tier One”:**

- Potential to deliver in excess of \$100M EBITDA per annum
- Known resource/reserve of significant size and scale + long mine life
- High margin per unit sold:
  - High grade
  - Low operating cost environment
- Existing infrastructure & good logistics
- Low sovereign risk

## **Added Criteria:**

- Low entry price
- Low capital development cost to production
- Local Government and community support



# Existing Asset Portfolio

## Tier One Projects

**Nowa Ruda Coking Coal**

**Togo Phosphate \***

*“Developing World Class  
Projects within BMB”*

- Low entry price
- Long mine life
- Size & Scale
- High grade
- Quality location
- Existing infrastructure
- Low cost environment
- EBITDA targets > \$100M per annum

Strategy

***Develop assets***

## Middle Tier Projects

**Monty, Varesh & RSC  
Projects**

(Balkans) – base metals

**Bogdan Copper Project**

*“Building BMB 2011-2013”*

- Consolidation of same style and location
- Increased value within consolidated projects
- Low cost environment
- Some existing infrastructure

Strategy

***Divestment***

## Lower Tier Projects

**Peelwood & Elsenora  
Projects**

(Australia) – base metals:

*“First projects into BMB  
shell”*

- Smaller size & scale
- Shorter mine life
- No existing infrastructure
- Higher operating cost environment
- Lower EBITDA expectation

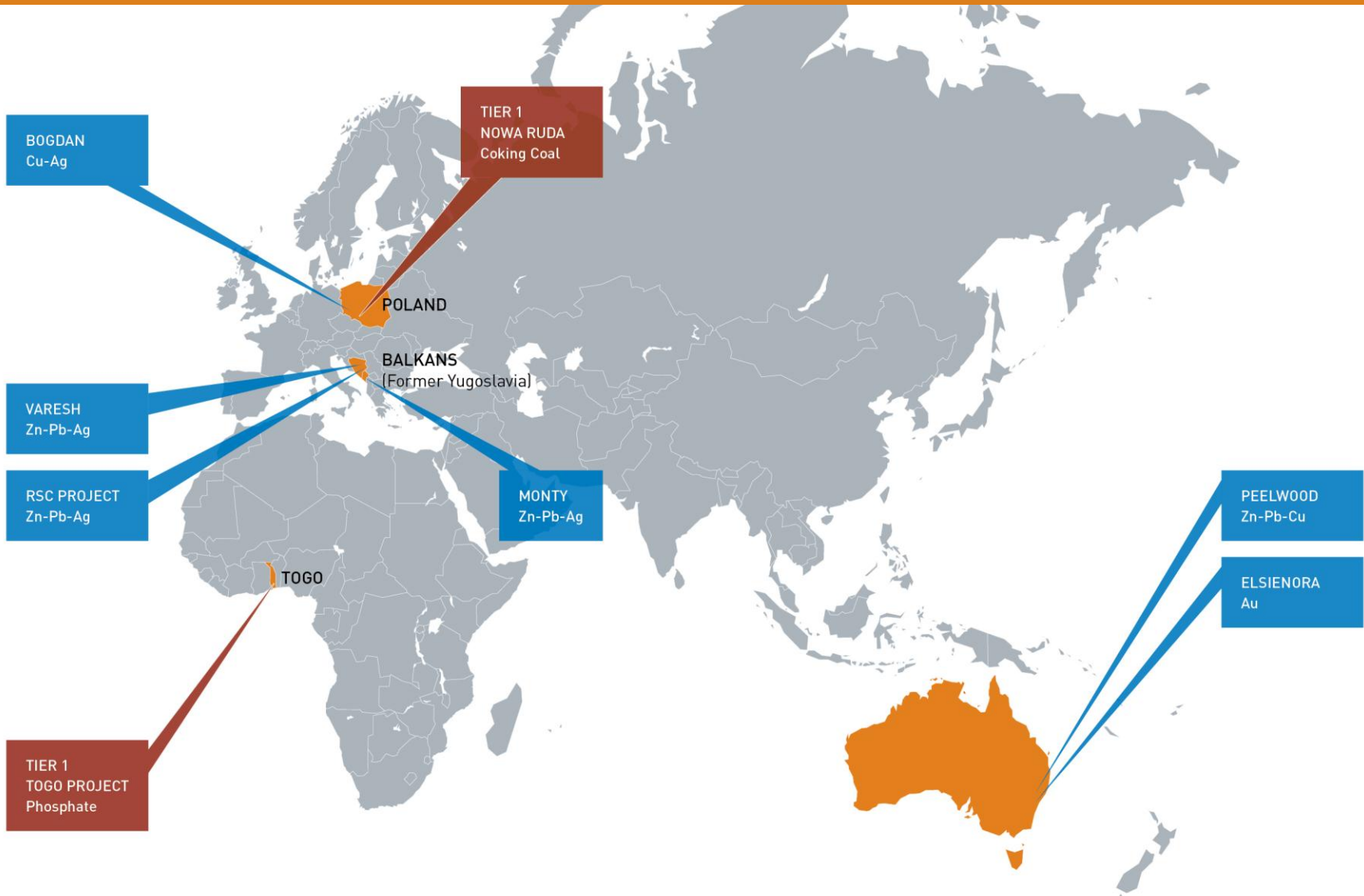
Strategy

***Divestment***



# Project Locations

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# Tier 1 - Nowa Ruda Coking Coal Project

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Located in south-western Poland

Low sovereign risk – European Union

100% owned via award of concession:

- Cost = Nil, just proof of credentials and ability to deliver project into production
- Exploration license can convert to Mining license post feasibility
- Significant local support to bring NR back into production as soon as possible

Large, advanced Coking Coal Project:

- Drilled to Polish standard = non-JORC \*
- Previously producing +1mtpa coking coal
- 3 existing coke plants within 100kms radius

Previously in production until 1995:

- Considerable infrastructure exists including production and ventilation shafts
- Lower capital cost and shorter timeframe to bring Project back into production as a result

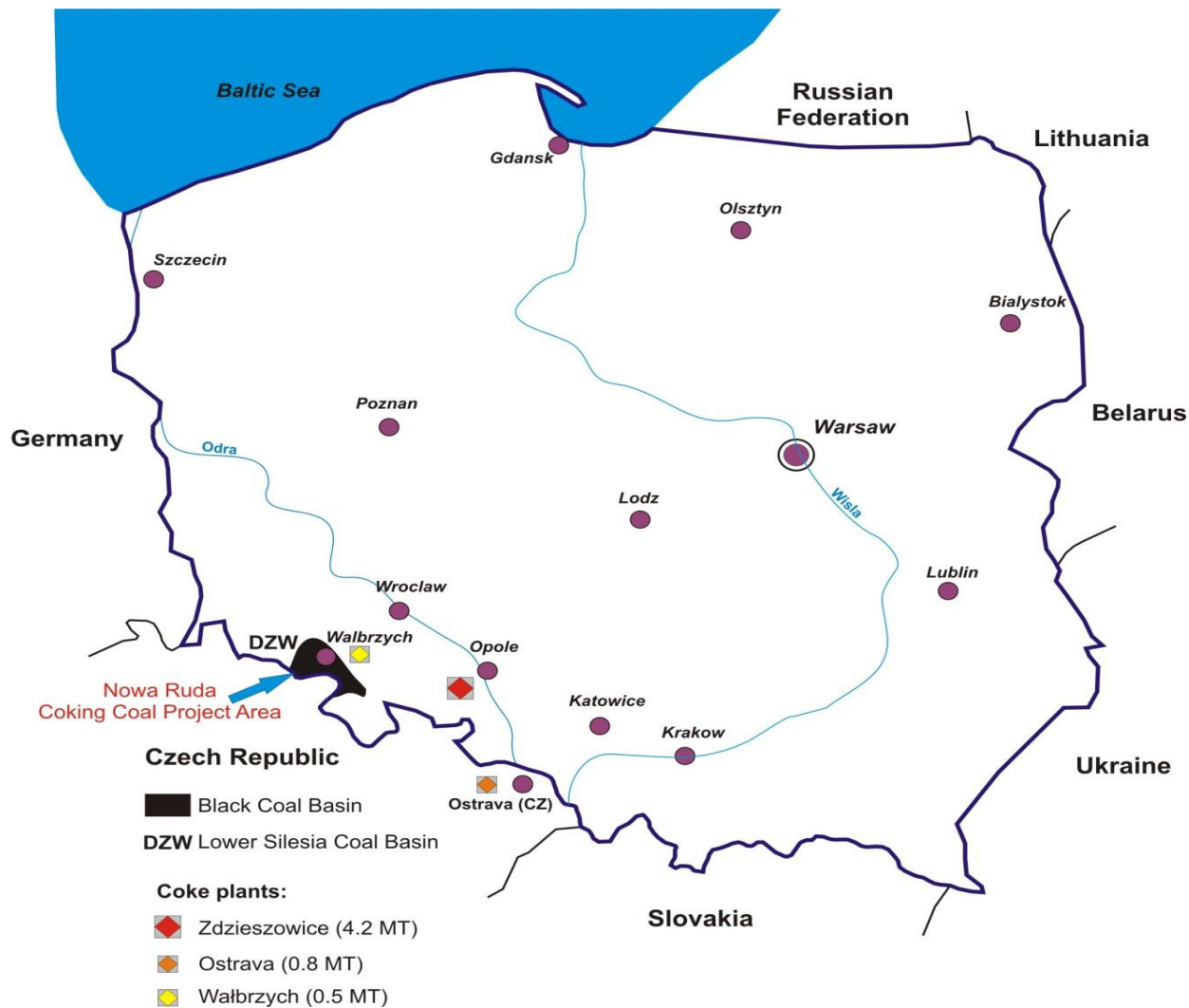
High quality coking coal

- Previously sold into local coking plants nearby



# Nowa Ruda – Location (Poland)

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# Nowa Ruda – Foreign Estimates \*

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Coal Deposit	Waclaw	Piast	TOTAL
<b>Tonnage (Millions tonnes)</b>	<b>84</b>	<b>23</b>	<b>107</b>
Including; Coal categorization			
A + B		15	15
C1	49	1	50
C2	35	6	41
Calorific Value (Kcal/kg)	6,523	6,500	6,518
Ash content	18.3%	31.2%	21.09%
Sulphur content	1.1%	0.7%	1.01%

\* These are foreign estimates as per the Polish standard, and not reported in accordance with the JORC code, and a competent person has not yet done sufficient work to classify these estimates as mineral resource or reserves to the JORC standard. It is uncertain whether further work will reclassify these estimates to be reported as mineral resources or reserves in accordance with the JORC code. ASX Listing Rule 5.12 specifies that additional information must be provided to the market in any announcement containing foreign estimates and Balamara has provided that as per Accompanying Notes to the ASX announcement dated 24 July 2013



# Nowa Ruda – What's happening on the ground?

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## Current Work Programme;

- Data digitalization and feasibility work has commenced - Oct 2013
- Confirmatory drilling programme to commence Nov 2013
- Securing further Nowa Ruda data
- Appointed strong local MD for Coal Holdings - local Polish subsidiary owning Nowa Ruda
- Considering strategic parties as cornerstone investor into Coal Holdings
- Considering other significant Polish coal assets to include within Coal Holdings

## Development strategy targets;

- JORC resource & reserve – 12 months
- Feasibility Study – 12-18 months
- Rehabilitation & mine recommissioning – 24-36 months
- First production within 36 months



# Tier 1 - Togo Phosphate Project

## Tier One Resource Asset:

- **Size & Scale** – Exploration target of 2.0-2.2 billion tonnes\* rock phosphate (14-16% P<sub>2</sub>O<sub>5</sub>) extensively drilled out by French technical agency, BRGM
- **Grade** – 180-200Mt\* at higher grade 18-20% P<sub>2</sub>O<sub>5</sub>
- **Open pit mining** – shallow deposit, on average 30m
- **Location** – just 25km from major city and access to sea
- **Existing infrastructure** – roads, rail, power, water and port facility with excess capacity

*\* The potential quantity and grade is conceptual in nature; there has been insufficient exploration to define a JORC standard 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 mineralized material. It should be read in conjunction with the Accompanying Notes at the back of this presentation*

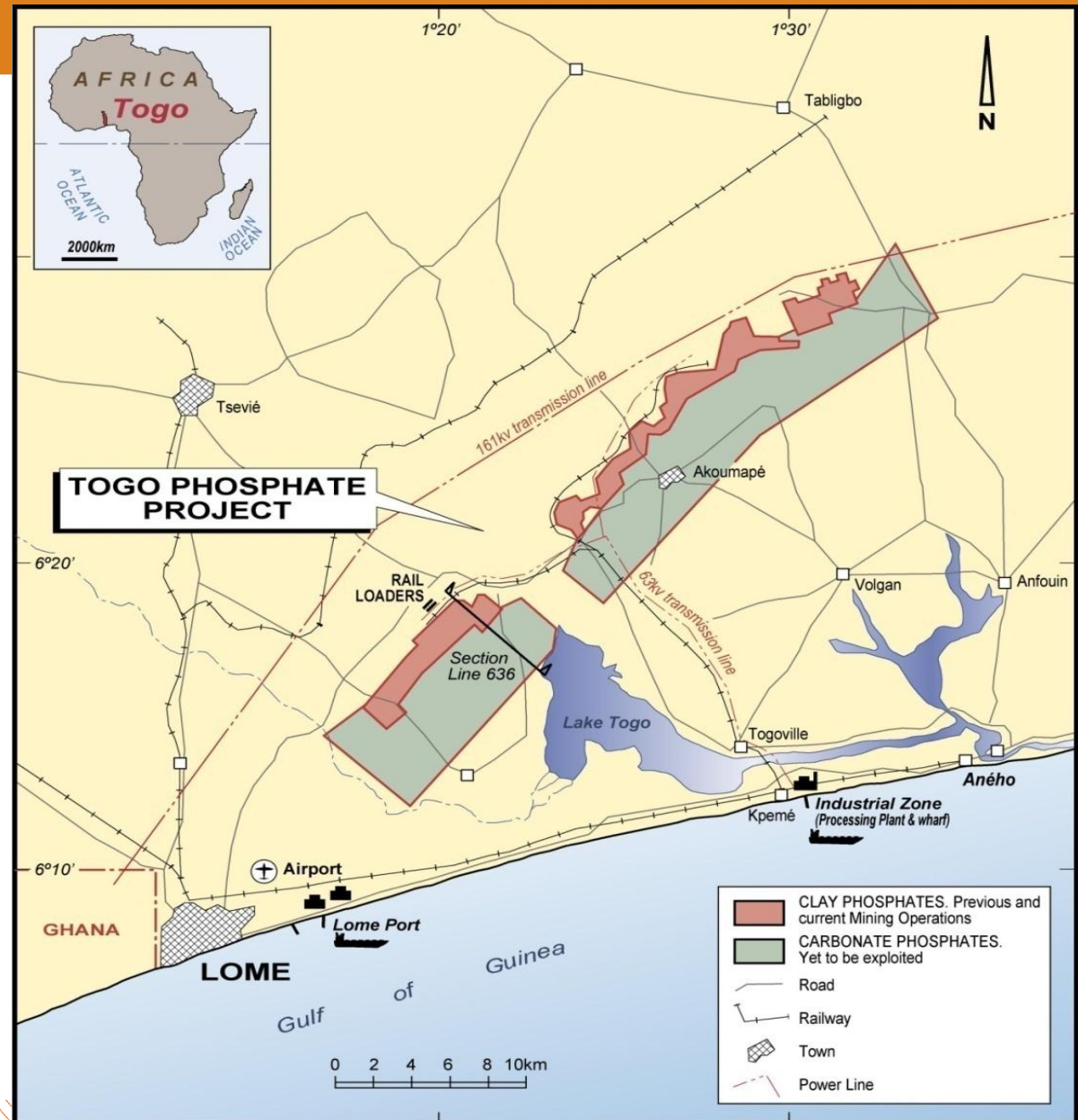


# Location

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*The key to development of bulk commodity projects is close proximity to port to deliver large volumes into external markets.*

*Existing port facility with excess capacity already exists in Togo, just 30kms from project location.*



# Togo Phosphate – Consortium & Alliances

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- Forge alliances with key consortium partners to successfully develop a world class project ahead;
- Aries Fertilizer Group (Singapore) recently announced as new consortium partner for Togo – others to follow;
  - Aries supported by Kailin Group, one of the 2 largest phosphate/fertilizer companies in China
  - Assets over \$2 billion – 6mtpa phosphate products by 2015
  - Major partner and associate of Aries re phosphate products worldwide

## Partners provide;

- Support to win the project;
- Access to cash for project funding;
- Infrastructure development;
- Offtake opportunities for DSO product – Stage 1;
- Acid and fertilizer production – Stage 2



# Togo Phosphate – Path Forward

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- Continue to build other partners & alliances to;
  - Show Togo Govt level of support for Balamara to deliver on project
  - Build strong partnership for project development
  - Secure support for project delivery

## Secure project via tender process;

- Final stage of process, Balamara one of three parties remaining
- Balamara in consultation process with Togo Ministry for Mining & Energy
- Timing? Expectation to complete before end 2013

*Assuming successful tender award;*

- Drill project to a JORC standard mineral resource
- Deliver a bankable feasibility study
- Funding for plant & infrastructure – commissioning & production





# Balamara...Restructuring for the Future

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Restructuring and repositioning of Balamara required to unlock value from a diversified asset base;

- Need to focus management and resources to deliver on flagship assets
- Market wants to see delivery on big projects = most return
- Capital for different projects to be raised separately going forward

Restructure Balamara for Togo Phosphate Project coming in

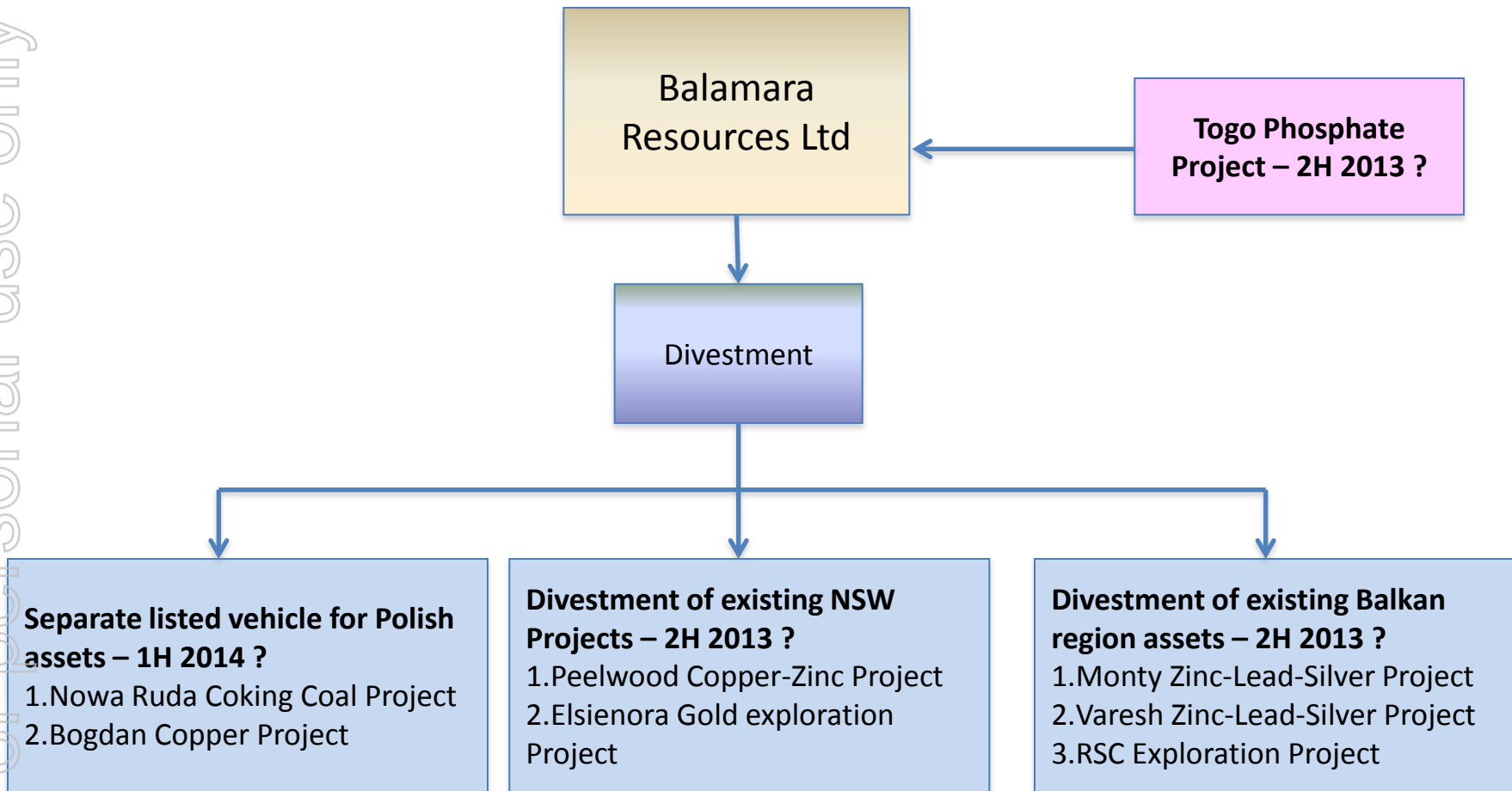
Split existing Company into three separate focal points:

- Balkans base metals + Australian base metals = divestment to third parties
- Poland coal & copper = move into new listed Company
- Togo phosphate = develop within Balamara going forward from 2014

**Balamara shareholders will receive a cash dividend or an in-specie distribution of shares as value for assets divested to any other Company**



# Restructuring Balamara – 2013



# Next Steps – 2013

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- **Divestment of existing Balkans region + Australian Projects:**
  - Elsenora announced; work underway on Peelwood & Balkans assets
  - Consider all options available whilst continuing to add value to projects
- **Development of Nowa Ruda Coking Coal Project:**
  - Building a strong in-country team to deliver a tier 1 project
  - JORC resource drilling programme
  - Commence Feasibility Study
- **Completion of tender for Togo Phosphate Project:**
  - Add further consortium partners where necessary
  - Award of tender – win the project!
  - Commence JORC programme + pre-feasibility study
- **Corporate strategy implementation – Restructuring**
- **Marketing revised strategy**



# Togo Phosphate – Disclaimer

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## **Accompanying Notes:**

*The figures quoted 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*
- 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 report of the matters based on his information in the form and context in which it appears.*



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