

27 March 2014

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## FEASIBILITY STUDY COMMENCES AT NOWA RUDA COKING COAL PROJECT, POLAND

*Maiden JORC Mineral Resource expected within the next few weeks*

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Balamara Resources (ASX: BMB) (“Balamara” or the “Company”) is pleased to advise that it has commenced detailed Feasibility Studies at its flagship **Nowa Ruda Coking Coal Project** in Poland as part of its plans to accelerate development of a high-margin European coal mine.

The commencement of the Feasibility Study just seven months after securing the Nowa Ruda Project through the award of the Concession covering the mine in July 2013 reflects Balamara’s strong commitment to fast-track the asset back into production as quickly as possible.

The Company has made significant progress to date, assembling a high quality in-country team that now includes an experienced local CEO and a Technical Manager, plus mining engineers, geologists and other staff with knowledge and expertise in developing mines through to production in Poland.

The Feasibility Study will be managed internally by Balamara but will draw on specialist local and international consultants as required.

Balamara’s Executive Chairman, Derek Lenartowicz – who will oversee the delivery of the Feasibility Study and development of the Nowa Ruda Project – is an experienced mining engineer who was born in Poland, and has developed several major mining operations through to production previously in Australia, including the large WMC (now BHP Billiton) Mt Keith Nickel Mine in WA. Mr Lenartowicz will be largely based in Poland from now on.

It is expected that experienced European coal consultant Wardell Armstrong International will deliver a maiden JORC resource report for Nowa Ruda within the next few weeks. Following completion of the current five-hole resource delineation drilling programme in Q3 2014 the resource will be further updated, including category upgrades.

As the permit to mine is considered to be the longest lead time item within the development process, Balamara has already engaged with the premier Polish environmental consultancy GIG to commence environmental studies and assessment, which will be



completed by Q1 2015 to ensure that this does not delay Nowa Ruda progress once the main Feasibility Study is completed. Work commenced on the environmental study during Q1 2014 and is well underway.

In addition, Polish technical consultancy PRGW has also been engaged to carry out all activities associated with obtaining permit to mine.

Wardell Armstrong will remain engaged with Balamara over the longer term as lead consultancy to the Feasibility Study process, including all future JORC resource upgrades.

Balamara has also requested that Wardell Armstrong provide a Scoping Study immediately following the initial JORC resource report in order to deliver a commercial perspective for the overall Nowa Ruda Project, benchmarking against other producing mines within the region. The Scoping Study will be completed within the next 60 days but will be further refined over the course of the full Feasibility Study.

Under the umbrella of Wardell Armstrong, Balamara has engaged the Mining Institute within the Wroclaw Polytechnic to commence mine planning and overall mine design, including coal production scheduling, operating costs and capital requirements.

The Feasibility Study is expected to be completed within the next 12 months which will allow Balamara to seek funding for Nowa Ruda and thereafter commence mine development, targeting first coal production in early 2017.

**-ENDS-**

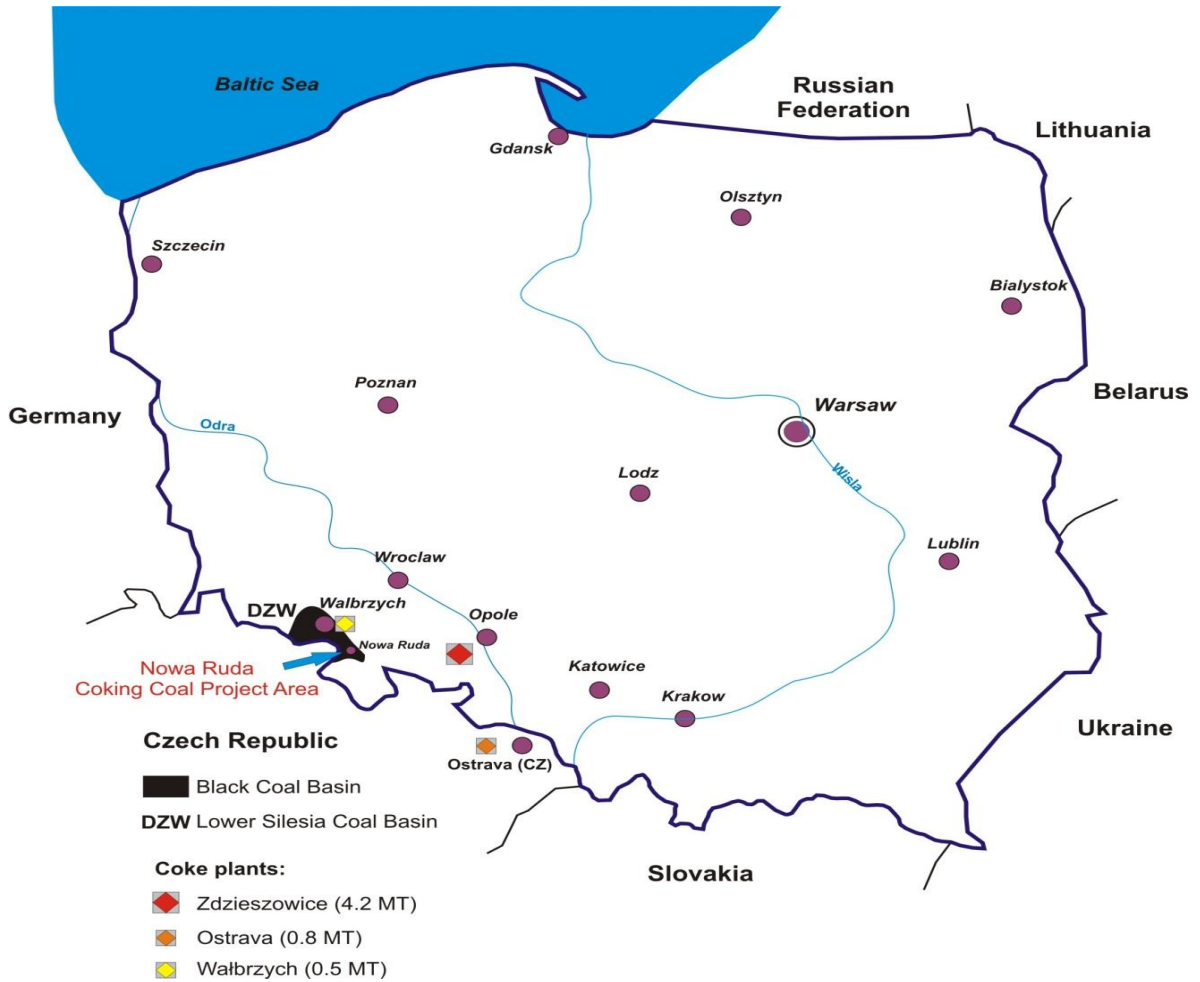
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Figure 1: Nowa Ruda Coking Coal location in southern Poland, with nearby operating coking plants shown.



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