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BALAMARA SECURES ADDITIONAL FUNDING TO ADVANCE POLISH COAL PROJECTS IN 2015

\$4 million convertible loan secured from major shareholder ensures resource development and feasibility work across three coal projects is funded for the year ahead

Balamara Resources (“Balamara” or the “Company”) (ASX: BMB) is pleased to announce that its major shareholder, Ample Skill Limited, has continued its outstanding support of the Company, agreeing to provide a \$4 million convertible loan to underpin the continued development of its Polish coal portfolio.

The additional funding will be used to advance the Company’s strategy to become Europe’s next substantial coal producer, with first production targeted from the end of 2016.

Under the terms of the convertible loan, the cash will be provided in tranches over the next few months. The conversion price is fixed at 3.0 cents and the coupon rate is 5%. Conversions can only be made if they are in accordance with the Corporations Act and the ASX Listing Rules.

The funds will be used to undertake various Feasibility Studies and either establish or upgrade JORC resources at each of the Mariola, Nowa Ruda and Sawin coal projects in south-east Poland, with the overall objective of advancing the Mariola Project towards production next year.

Balamara’s Managing Director, Mike Ralston, said the funding package would secure the Company’s development strategy, establishing the foundations for it to further advance all three projects towards production.

“We are delighted that our major shareholder Ample Skill Limited continues to show tremendous faith in the Company and its assets in a challenging market. We are very grateful for their support and we are confident that the Company is poised for a big year ahead with considerable work already underway on all our projects to further enhance the value proposition.

“Balamara has spent the past 18 months securing three world-class coal projects in a safe sovereign risk location for low entry costs to Company. The next 18 months are all about adding considerable further value to these projects and proving their commercial strength



via independent third party feasibility studies. This \$4 million of additional funding will be critical to ensuring that this work can be delivered”.

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