

05 August 2015

BALAMARA SECURES ADDITIONAL \$7M CASH INJECTION TO MAINTAIN DEVELOPMENT MOMENTUM IN POLAND

Major shareholder to provide further funds via convertible loan to support ongoing development of Polish coal assets, indicating strong support for progress to date and the value growth ahead

Balamara Resources Limited (“Balamara” or the “Company”) is pleased to advise that it has signed an agreement with its major shareholder, Ample Skill Limited, to provide a further \$7 million cash injection to underpin its continued rapid development as a substantial European coal producer.

The funding injection will be made via a convertible note structure, similar to the last note signed in February 2015, with the funds to be made available in seven equal tranches of \$1 million each, commencing at the end of August and continuing each month-end thereafter through to end of February 2016.

The notes all convert at different prices, ranging between 3 cents and 9 cents, with a weighted average conversion price of 4.7 cents per share. This reflects an 88% increment to Balamara’s last traded price on the Australian Securities Exchange (ASX) of 2.5 cents in May 2015 prior to de-listing.

The new funding injection once again demonstrates the outstanding support the Company continues to receive from its major shareholder, who has backed the Company’s coal development strategy in Poland from the outset. Balamara has 100% ownership of three large, advanced coal assets in Poland and is moving rapidly towards achieving first production by the end of 2016.

Balamara de-listed from the ASX in May 2015 in order to develop these coal assets without the added pressure of constant negative macro-market sentiment towards junior resource companies, and coal in particular, which was leading to unnecessary dilution due to the decreasing share price. Since de-listing, the Company has achieved a number of significant milestones including:

- Completing a highly favourable Pre-Feasibility Study (“PFS”) for its Sawin Project; and
- Securing the award of a further highly-strategic coal concession located close to its existing Mariola 1 Project, which will considerably increase the size and scale of this asset ahead.



Further work is continuing including preparations for final drilling requirements to upgrade the PFS results for both the Mariola and Sawin Projects. Further work is also underway at the Nowa Ruda Coking Coal Project to complete a preliminary Pre-Feasibility Study there also.

The new funding will allow Balamara to continue its current work programmes at both Mariola and Sawin, and to secure the permits and licenses required to commence production at Mariola by the end of next year.

Balamara continues to work closely with its internationally-accredited partner, HDR Salva (“HDR”), to complete all the necessary technical work required to ultimately deliver a decision to mine at Mariola, while simultaneously advancing the other two coal Projects in its portfolio.

Balamara’s Managing Director, Mike Ralston, said the additional funding secured from its major shareholder would underpin ongoing work programs through until next year, providing a strong foundation for its plans to drive towards first coal production in 2016.

“I would like to once again thank Ample Skill for their ongoing support. This outstanding result clearly demonstrates their strong support for our work to date and their belief in our strategy moving forward. We have already generated significant momentum across our key assets and we look forward to growing the value of these projects in the months and years ahead.”

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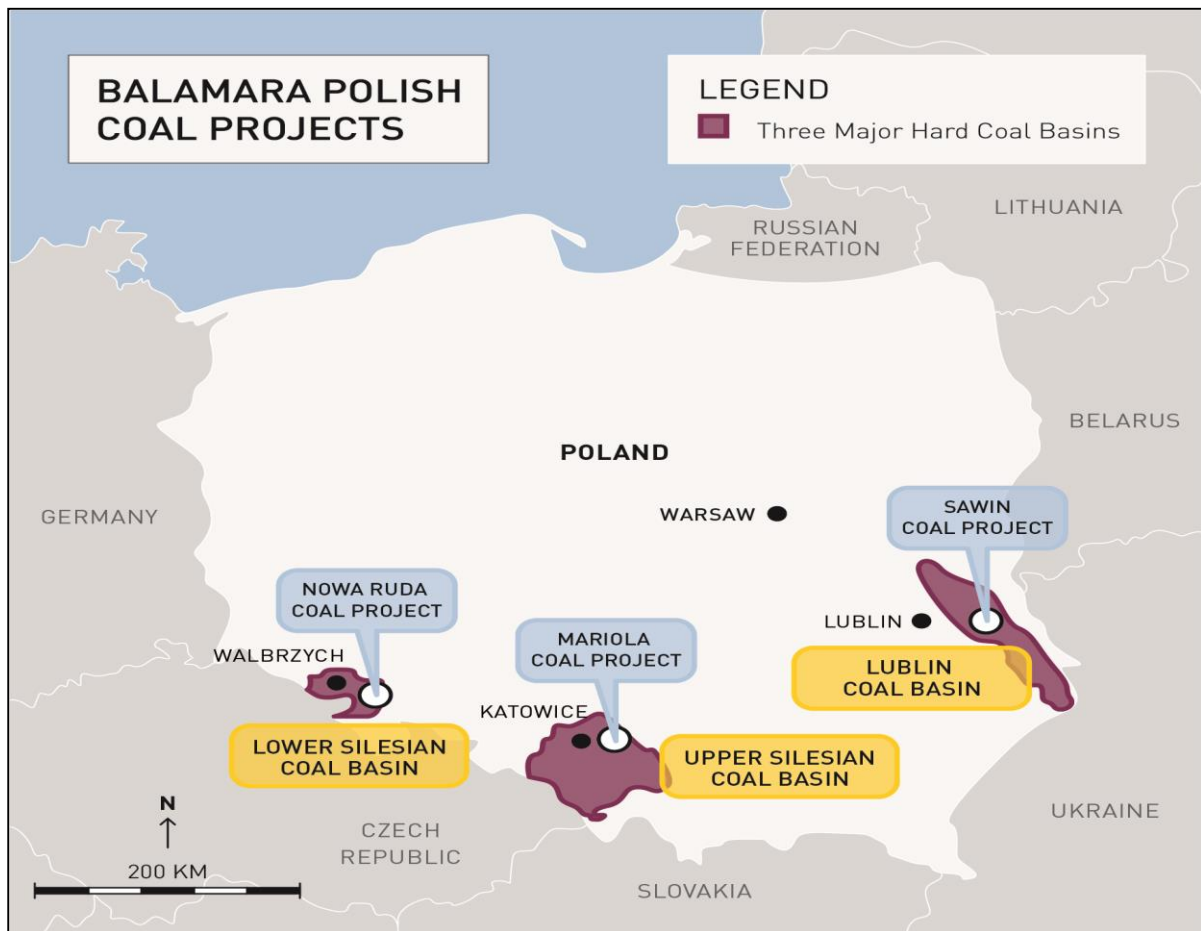
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About Balamara Resources Limited

Balamara Resources is an unlisted public company which de-listed from the Australian Stock Exchange in May 2015. The Company’s goal is to become the next significant coal producer in Europe and Balamara has made considerable progress on all three of its existing, 100%-owned coal assets over the past 12 months.



Balamara has three advanced coal assets in each of the three major coal basins in Poland, which delivers considerable advantages including availability of railway, power and other core infrastructure, close proximity to off-takers such as coke plants (coking coal) or power plants (thermal coal), and a considerable skilled low cost mining labour force. The Company's Polish office is located in Katowice where most of the existing workforce reside full time.

Poland is viewed as a low sovereign risk location for mining ventures, being part of the European Union as well as a member state of NATO. It has well defined mining laws and a structured approvals process to completion of licensing and permits. The country itself is developing rapidly with growing heavy industry and manufacturing adding to the traditional mining focus within the economy.

Most analysts expect demand for energy in Poland to grow over the next decade in response to the expanding economic activity, and demand for coal is forecast to remain high as the most significant contributor to the energy mix. Local production of hard coal has fallen dramatically over the past decade from ~100Mt to current ~70Mt as a result of the large,



incumbent producers struggling to maintain cost-effective practices to deliver coal within the current environment.

Balamara believes that there is a significant opportunity for new, efficient producers to step in to fulfil this market by delivering high quality coal in a cost-effective manner.

About HDR Salva (“HDR”)

HDR is a global, employee-owned architecture, engineering, consulting and construction services firm. In total HDR employs in excess of 9,200 professionals in 225 offices worldwide, including 500 in the resource sector. HDR Resources team delivers exploration, mining and commodities consultancy services to some of the world’s largest mining and investment firms. HDR is committed to helping clients manage complex projects and make sound decisions.