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PRE-FEASIBILITY STUDY COMMENCES ON MARIOLA THERMAL COAL PROJECT

Balamara mandates experienced Australian coal consultants HDR Salva to complete a JORC resource review and PFS within the next Quarter

Balamara Resources (ASX: BMB) (“Balamara” or the “Company”) is pleased to announce the signing of a mandate with experienced Australian consulting firm Salva Resources Pty Ltd (“HDR”) to provide a range of technical services moving forward.

The mandate requires delivery of a JORC resource review for the Mariola Thermal Coal Project within the next month (end November), and a Pre-Feasibility Study (“PFS”) for that same Project by February 2015.

Balamara believes that the delivery of a strong PFS in particular will underline the value proposition and commercial potential within Mariola Project, which is the Company’s anticipated first-mine-into-production, targeting end 2016. The expectation is that Balamara will complete a full Bankable Feasibility Study by end 2015 in order to raise project finance for Mariola, and the PFS is therefore the first major step in that direction.

HDR is a very experienced global provider of key technical, environmental and commercial services for resource companies, incorporating exploration management, geological modelling, mine planning, environmental management, feasibility studies and all associated tasks. HDR has extensive experience in the development of coal projects, and has provided key services to a range of significant Australian and international coal companies in the past.

The studies will cover the following areas:

- Geology, resource and reserve estimation
- Mining
- Cost estimation, including operating, logistical and capital costs
- Financial analysis
- Geotechnical and hydrology
- Coal processing
- Coal quality & marketing
- On-site and off-site infrastructure
- Environmental impact study



Balamara's Managing Director, Mike Ralston noted "We are pleased to work with HDR moving forward, which is of the most experienced coal consulting organisations available, having assisted in the development of many significant coal projects worldwide. We believe the expertise HDR brings to the Mariola Project will add considerable value to the experience within our own management team and we look forward to providing the market with a PFS that underlines why we believe Mariola to be an exceptional advanced asset, located in a low risk environment."

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