

26 March 2012

---

## MAIDEN DRILLING PROGRAM COMMENCES AT BOGDAN COPPER PROJECT, POLAND

*Diamond drilling to test potential extensions of mineralised zone at world-class KGHM mines*

---

International minerals company Balamara Resources Limited (ASX: BMB) (“Balamara” or the “Company”) is pleased to advise that it has now commenced the maiden drilling program at its highly prospective **Bogdan Copper Exploration Project** in south-west Poland.

The diamond drilling programme will provide the first definitive test of the potential of the 42 sq km Bogdan Project to host extensions of the very large mineralised system at the neighbouring complex of mines and associated infrastructure owned and operated by KGHM Polska Miedz S.A. (“KGHM”), one of the most significant producers of copper and silver in Europe.

Balamara acquired an 85 per cent interest in the Bogdan Project, which is located near the Polish town of Lubin, in September 2011 for approximately US\$1.5 million in a series of staged payments; since then the Company has been working towards commencement of this initial drilling program. All necessary permits are now in place and the local drilling company contracted by Balamara has commenced work on site at the first hole location.

With a series of large underground mines extending over a 35km strike length of continuous mineralisation, KGHM controls resources reported at 1,160 billion tonnes grading 2.08% copper and 59g/t silver for a total of 24.11 million tonnes copper and 68,748 tonnes of silver\* – sufficient to sustain production at current levels for the next 20 years.

KGHM produced over 550,000 tonnes of copper and over 1,400 tonnes of silver in 2011 for a reported operating profit of US\$3.7 billion. It is one of the largest companies on the Warsaw Stock Exchange and the biggest resource company in Poland.

The drilling program designed by Balamara is designed to test whether this vast tabular ore body, which has been mined by KGHM for over 40 years, continues down-strike into the Bogdan tenement.

KGHM is currently mining at Lubin, which is located less than 5km from where the first Bogdan exploration hole will be drilled. The proximity of the Bogdan tenement to the KGHM complex and its location relevant to the large feeder-fault that controls the mineralisation is shown in Figure 1 below:

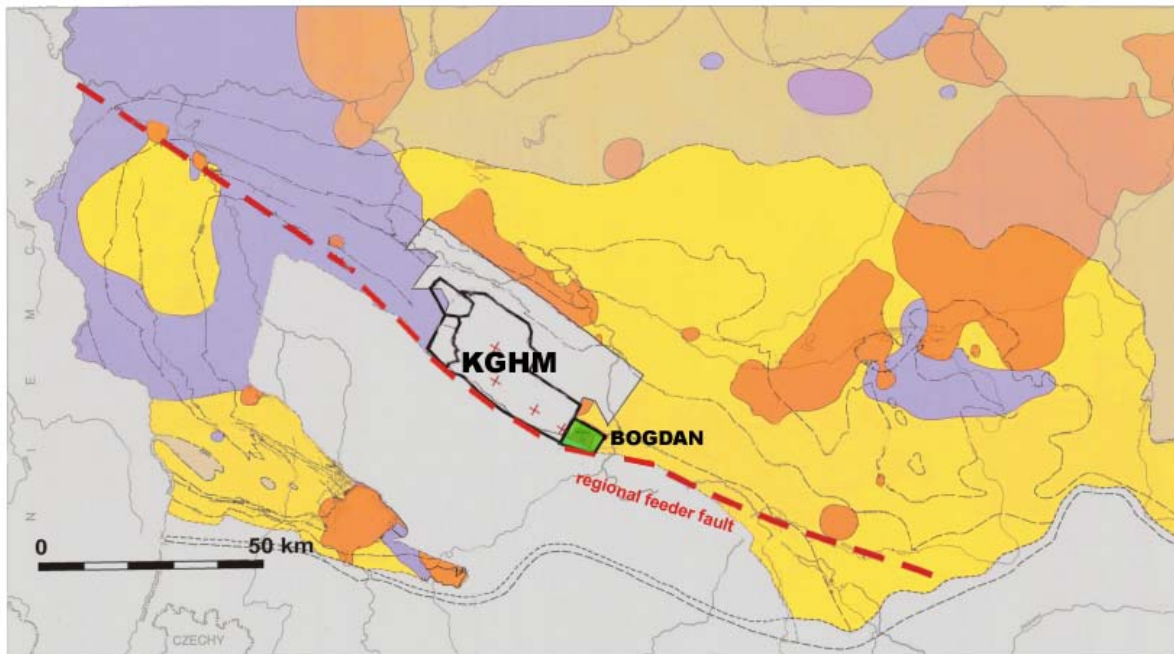


Figure 1: Close Proximity of Bogdan tenement to KGHM existing mines (depicted with a red cross) and also along same feeder fault.

Balamara has previously examined results of a single historic drill hole in the Bogdan tenement which **intersected very encouraging base metal mineralization including 2.9 metres at 2.70% Pb, 81 g/t Ag, and 0.16% Cu** from 298.1m beneath the upper layers of coal mineralisation.

This suggests that the base and precious metal mineralisation within the neighbouring KGHM tenement may extend into Bogdan.

Due to the long mining history at KGHM the regional stratigraphical position of the mineralization in the area is well established. Mineralization is hosted by the Zechstein Formation which consists predominantly of a sequence of conglomerate, sandstone and limestone of Permian age.

Towards the base of the Zechstein is the Kupferschiefer, a black clayey dolomitic shale approximately 1-2 metres thick. **This geological unit is regionally very continuous and is a major host of metal occurrences in the area.** Economic mineralization can also occur stratigraphically above and below the Kupferschiefer and the thickness of mineralization can be variable.



The stratigraphical sequence in the area is shown Figure 2 below:

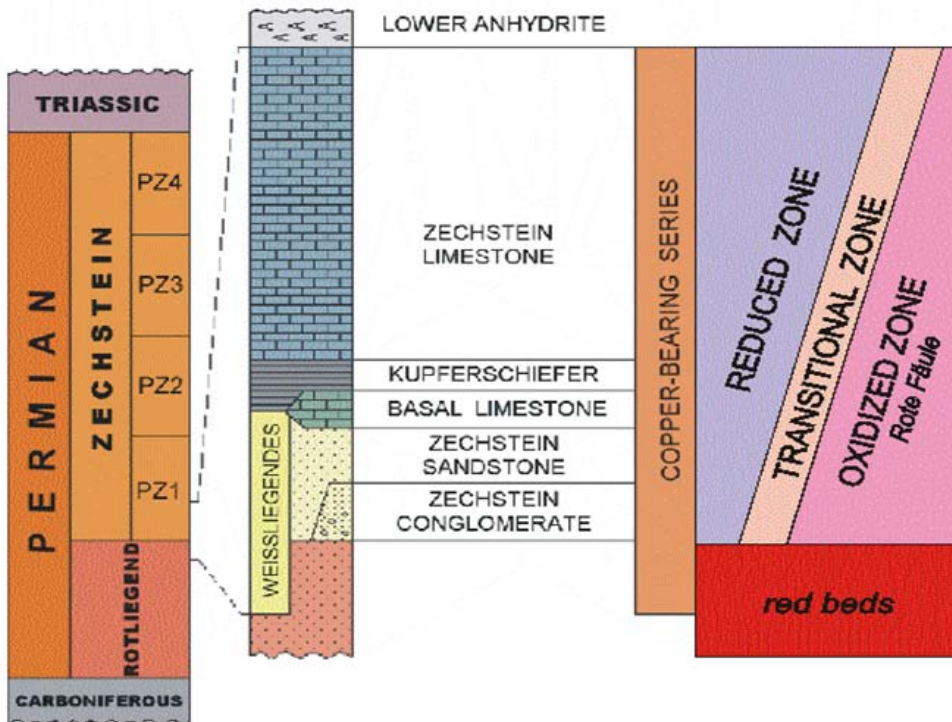


Figure 2: Stratigraphic sequence of the Zechstein Formation, including the Kupferschiefer and the zone of metal occurrence

Balamara has designed a provisional drilling program comprising six diamond drill holes for 2,522 metres and expects to drill three holes in the first phase. This initial drilling program is expected to take approximately one month per hole, or three months for the three holes planned initially.

However as the program progresses, the Company will consider expanding the program to cover additional exploration targets if there is evidence of strong mineralisation.

Individual drill hole coordinates are shown in Table 1 below and drill hole locations are shown in Figure 3 on the following page. The first hole is a twin of the single historic drill hole that intersected very encouraging base metal mineralization previously described.

| Drill hole | Northing | Easting | Azimuth | Inclination | Depth |
|------------|----------|---------|---------|-------------|-------|
| Hole 1     | 388885   | 316233  | -90     | 0           | 302   |
| Hole 2     | 390335   | 314058  | -90     | 0           | 350   |
| Hole 3     | 389548   | 316933  | -90     | 0           | 420   |
| Hole 4     | 391260   | 312520  | -90     | 0           | 400   |
| Hole 5     | 392735   | 314033  | -90     | 0           | 550   |
| Hole 6     | 390847   | 316933  | -90     | 0           | 500   |
|            |          |         |         |             | 2522  |



## BOGDAN CONCESSION

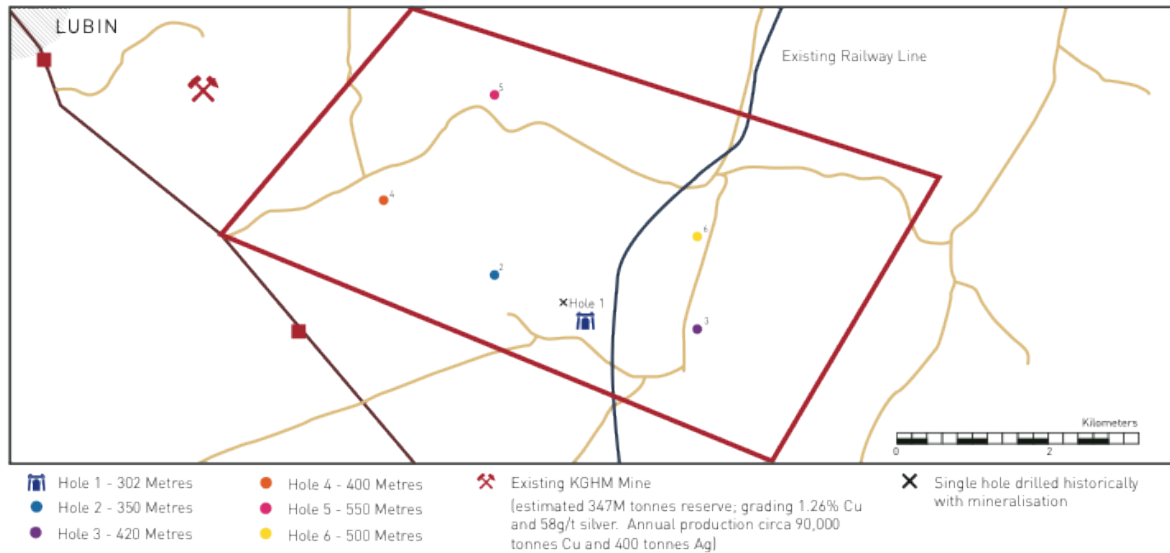


Figure 3: Drill hole location plan for Balamara drilling programme at Bogdan prospect.

-ENDS-

For Further Information Contact:

Mike Ralston  
Managing Director  
Balamara Resources  
(08) 6365 4519

Nicholas Read  
Read Corporate  
(08) 9388 1474

\* Source: KGHM Annual Report 2010, Marketing version - as displayed on KGHM website

### 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.