

Current Report (CR) No 16 – Conclusion of an Annex Agreement to *be* Appended to Material Conditional Agreement by the Issuer's Subsidiary (27.06.2014)

The Management Board of Stalprodukt Spółka Akcyjna („the Issuer”) based in Bochnia, herewith, discloses that as of this day 27 June 2014 the Company received a notification about the conclusion of an annex agreement to a material conditional agreement („Agreement”) by the Issuer's subsidiary, which was described in the Current Reports No 5, No 6, No 8 and No 9.

1. Conclusion Date and Parties to the Annex Agreement

The above mentioned Annex Agreement was concluded as of 27 June 2014 between Zakłady Górniczo-Hutnicze "Bolesław" S.A., based in Bukowno, as the Seller and Balkan Mining Group PLC, a company formed and registered in Malta as C61059, based at: ul. Melita 60/2, Valletta, VLT 1122, Malta, as the Buyer („Annex Agreement”).

2. Object of the Annex Agreement

By the above mentioned Annex Agreement, the Parties amended the contractual deadline for the fulfillment of one of the conditions precedent of the Conditional Agreement For the Sale of Shares executed through the transfer of the Selling Price to the Escrow Account, in such a way that the existing time limit – 30 June 2014 – was extended until 25 September 2014.

Additionally, the Parties amended the contractual deadline for the fulfillment of another condition precedent of the Conditional Agreement for the Sale of Shares, through moving the acquisition of the Consent of Hipotekarna Banka, from 7 July 2014 to 30 September 2014.

Hence, the Conditional Agreement for the Sale of Shares shall cease to be effective in the event the above mentioned conditions precedent are not fulfilled within the amended deadlines, i.e. in the case the following events occur:

- 1) if the transfer of the Selling Price to the Escrow Account is not made within 25 September 2014;
- 2) if the Consent of Hipotekarna Banka is not granted within 30 September 2014.

Otherwise, the provisions of the Conditional Agreement for the Sale of Shares shall remain intact.

3. Designation of the Criterion Classifying the Agreement as a Material Agreement.

The criterion classifying the Agreement as a material agreement is exceeding the 10% threshold of the Issuer's equity value.

4. Other Information:

The Annex Agreement was signed due to the prolongation of formalities related to the Buyer's capital raising.

The legal basis for the preparation of the report: par.5, subpar. 1, item 3 of the Regulation of the Minister of Finance as of 19 February 2009 on current and periodic information disclosed by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state. (Journal of Laws as of 2009, No 33, item 259, as amended).