29 March 2017

POLO RESOURCES LIMITED

("**Polo**" or the "**Company**")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

Polo Resources Limited (AIM: POL), the multi-sector investment company with interests in oil, gold, coal, copper, phosphate, lithium, iron and vanadium, today announces results for the six months ended 31 December 2016.

Financial Summary:

- Total Net Assets of US$60.47 million as of 20 March 2017 (31 December 2016: US$59.99 million).

- Net Asset Value per share as at 20 March 2017 was approximately 15.643 pence per share (31 December 2016: 15.636 pence per share).

Investment Highlights:

- Hibiscus Petroleum Berhad (HIBI: MK) (Oil & Gas, UK and Australia)

  - On 31 May 2016, Hibiscus announced it had achieved a significant milestone through Anasuria Cluster acquisition which has allowed it to make the strategic shift from being exploration focused to production with positive cashflow and profit. This was reflected in the third quarter ended 31 March 2016 which returned a profit after taxation of MYR80.5 million (approximately US$18.17 million at MYR/US$4.43).

  - In July 2016, Polo increased its interest in Hibiscus to 10.20 per cent (since diluted to 9.62 percent) via the subscription of 48.9 million new shares at an issue price of MYR0.18 per share following which Polo emerged as the second largest shareholder of Hibiscus after the Hibiscus management team.

  - In October 2016, Hibiscus announced that its indirect wholly-owned subsidiary, SEA Hibiscus Sdn Bhd ("SEA Hibiscus") has entered into a conditional sale and purchase agreement with Sabah Shell Petroleum Company Limited and Shell Sabah Selatan Sdn Bhd (collectively "Shell") to acquire Shell's entire 50 per cent participating interest in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract ("PSC") for a purchase consideration of US$25 million (excluding post completion adjustments and reimbursements to Shell). Shell's interest also includes operatorship responsibilities which would be transferred to SEA Hibiscus through a transfer of operatorship program. This acquisition is expected to complete in 2017 and is subject primarily to obtaining regulatory approval of Petroliam Nasional Berhad ("PETRONAS") and consent of Petronas Carigali Sdn Bhd ("Petronas Carigali"), a 50 per cent joint venture partner in the PSC.

  - In the October - December 2016 Quarter circa 300,000 barrels of oil were produced from various fields within the Anasuria Cluster contributing revenue of MYR61.8 million (US$13.96 million at MYR/US$4.43) at a realised price of US$41.7 per barrel. On 22 February 2017, Hibiscus announced a profit after tax for 6 months ending December 2016 in excess of MYR90 million (US$20.34 million at MYR/US$4.43).

- Polo holds a 9.62 per cent equity interest in Hibiscus. On 28 March 2017, Hibiscus' share price closed at MYR0.40 with a market capitalisation of US$130.99 million (MYR/US$4.409).

- Blackham Resources (ASX:BLK) (Gold, Australia)

    - In June 2016, Polo exercised its right to purchase a further 49 per cent of Perfectus Management Ltd for A$3 million satisfied by the issue of 9,832,358 new ordinary shares in Polo at the price agreed in 2014 of 15 pence per share (against Polo's share price which closed at 4 pence on 4 June 2016). Polo's undiluted interest in Blackham increased to approximately 8.11 per cent.

    - Perfectus owns 5,888,495 ordinary shares (approximately 1.74 per cent) in Blackham's issued fully paid ordinary share capital. Polo directly holds a further 14,761,905 (approximately 4.36 per cent) Blackham ordinary shares.

    - In October 2016, Blackham achieved a major milestone with the first gold pour following the successful completion of the refurbishment and commissioning of Stage 1 of the Wiluna Gold Plant, which signalled the beginning of commercial production for its Matilda/Wiluna Gold Operation.

    - The Interim Financial Report for the half-year ended 31 December 2016 declared a profit after tax for the period of A$3,233,000 delivered from 6,558 ozs of gold poured in the December quarter and sold at an average of A$1,672/oz.

    - The Matilda/Wiluna Gold Operation now includes JORC 2012 Measured, Indicated and Inferred Resources of 63Mt at 3.2g/t for 6.4Moz Au (48 per cent indicated) within a +1,000km^2 tenement package which has historically produced more than 4.3 million ounces. This represents an increase of some 25 per cent in contained gold over this 6-month period (refer to ASX release 27 June 2016 stating the total resource to be 48Mt at 3.3g/t for 5.1Moz).

    - To capitalise on the resource increase Blackham is moving forward with mining and processing studies to increase gold production and enhance returns to shareholders. Crucial to this strategy is the Stage 2 capacity expansion of the Wiluna Processing Plant aimed at lifting gold production to over 200,000ozpa.

    - Blackham's FY17 production forecast is 60,000 to 70,000ozpa with C1 Cash cost of A$840/oz and All-In Sustaining Cost of A$1,140/oz.

    - Post the reporting period, in February 2017, Blackham announced it had raised A$35 million through a placement which would enable it to fast track its growth strategy with the focus being to:
        - expedite conversion of the large resource to reserves
        - extend mine life
        - accelerate the Stage 2 plant expansion studies
        - be in a position to commit to Stage 2 engineering and long lead time items as soon as the feasibility study is completed

    - Polo holds a combined direct and indirect of 6.06 per cent equity interest in Blackham. On 28 March 2017, Blackham's share price closed at A$0.54 with a market capitalisation of US$139.42million (A$/US$1.311).

- Nimini Holdings Limited (Gold, Sierra Leone)

    - Nimini's Komahun Gold Project (the "Project") continues to be constrained through not having a Mine Development Agreement ("MDA") negotiated with the Government of Sierra Leone ("GoSL") with terms commercially acceptable to Nimini.

    - With the end of the Ebola crisis, the GoSL invited Nimini to further negotiations which began in August 2015. Although these negotiations were inconclusive, in early 2016 there were promising signs when His Excellency, President Koroma, issued a mandate to two senior persons to conclude a mutually acceptable MDA with Nimini. However, despite this high-level intervention, progress continues to be slow and consequently Nimini has pulled back on activity in the country.

    - Polo recognises that any return on its investment is dependent on Nimini being able to move the Project forward and this primarily is dependent on there being an acceptable MDA defining the fiscal and commercial terms for project development.

    - In view of the significant delays in achieving the MDA and upon consideration of the overall risks in taking the Project forward, Polo has prudently recorded an impairment on the carrying value of its investment of US$14.3 million.

    - Polo holds a 90 per cent equity interest in Nimini.

- Weatherly International Plc (AIM: WTI) (Copper, Namibia)

    - Tschudi production for the period under review was 8,137 tonnes Copper Cathode and C1 costs were US$4,603 per tonne. This cost was elevated due to the unforeseen impact of groundwater inflows on production.

    - The groundwater situation was brought under control towards the end of the September quarter reflected in the C1 costs for the December quarter dropping to US$4,222 per tonne. Detailed work continues to design a long-term groundwater solution to reduce production risks and operating costs.

    - As part of its cost reduction strategy, Weatherly is evaluating a plan to expand Tschudi production capacity to 20,000 tonnes per annum in an attempt to realise economies of scale benefits. Studies have shown the Solvent Extraction (SX) and Electro-Winning (EX) plants can already operate at the expanded production rate and that the capital requirement to implement is much less than previously expected.

    - Weatherly continues to investigate the opportunity to resume production, at sustainable unit costs, at the Otjihase and Matchless underground mines.

    - Polo holds a [5.2] per cent equity interest in Weatherly. On 28 March 2017, Weatherly's share price closed at GBP0.00586 with a market capitalisation of US$7.80 million (GBP/US$0.7966).

- Ironstone Resources Limited (Lithium, Iron Ore, Vanadium, Precious Metals, Canada)

    - Ironstone is in advanced development of its Clear Hills Project located in the Peace Region of NW Alberta, Canada. Featuring a large compliant poly-metallic iron and vanadium resource, quality infrastructure, high value commodities, top tier partners and local and institutional support – the Clear Hills Project stands apart from traditional iron concentrate producers.

    - Post the reporting period, in January 2017, Ironstone signed a Letter of Intent ("LOI") with Greatbanks Resources Ltd ('Greatbanks"), in connection with the establishment of a joint venture company ("JVC"). Under the terms of the LOI, Ironstone and Greatbanks will establish a newly incorporated JVC, to be held on a 50/50 basis, for the development of lithium carbonate extracted from Devonian-age lithium bearing brines that will be pre-concentrated using a patented and exclusively licensed technology.

  - Polo is excited by the venture by Ironstone to move into the production of Lithium Carbonate from their Clear Hills Project, which provides Polo with exposure to the technology metals market at a time when significant and positive supply demand and pricing fundamentals are at work in the sector as more and more consumers switch towards electric vehicles, where lithium is a critical metal within electric and hybrid powered vehicles.

  - Polo holds an 18.84 per cent equity interest in Ironstone.

- GCM Resources Plc (AIM: GCM) (Coal and Power, Bangladesh)

  - GCM is planning to develop an integrated coal mine and mine-mouth power project ("the Phulbari Project") based on a world class deposit of 572Mt (JORC 2004 compliant) thermal and metallurgical coal in North-West Bangladesh.

  - The Government of Bangladesh has consistently reported its intention to move the country's energy mix towards coal and increase coal fired power generation from the current 250MW to 19,000MW by 2030. It has already established agreements for thermal fired power plants, predominantly within a government-to-government framework, with Chinese, Malaysian, Japanese and Singaporean entities.

  - Although there has been an initial focus on establishing power plants based on imported coal, at a recent media conference the highest level of Government also promoted the benefits of open pit coal mining combined with mine mouth power plants.

  - The Project's planned annual thermal coal production of 12 million tonnes would support some 6,000MW (previously 4,000MW) based on the latest ultra-supercritical steam generation systems which would facilitate significantly lower power tariff for the country at the mine-mouth and being able to supply other power projects coming onstream elsewhere in Bangladesh.

  - GCM is also pursuing potential partners who may assist in delivering Government approval and has recently agreed a Memorandum of Understanding with China Gezhouba Group International Engineering Co. Ltd to investigate the feasibility of establishing up to 2,000MW of mine-mouth coal-fired power generation at the Phulbari Coal and Power Project site. This initiative is now moving to a preliminary feasibility study.

  - Polo holds a 27.8 per cent equity interest in GCM. On 28 March 2017, GCM's share price closed at GBP0.1975 with a market capitalisation of US$15.59 million (GBP/US$0.7966).

- Universal Coal Resources Pte Ltd (Coal, Indonesia)

  - Universal is a company incorporated in Singapore, which, in turn, has entered into a conditional agreement to acquire an indirect 75 per cent interest in PT Transcoal Minergy Coal Project ("TCM"), a company incorporated in Indonesia, from a Pan Asia Corporation Ltd. (ASX: PZC) subsidiary ("PZC"). Polo's subsidiary, Polo Investments Limited ("PIL"), holds a secured S$5,000,000 nominal value 15 per cent redeemable convertible note ("Note") from Universal.

  - TCM is the owner of a Production Operation Mining Business Licence in respect of a coal mining concession area in Mantewe District, Tanah Bumbu Regency, South Kalimantan Province, Indonesia. The TCM Coal Project comprises of 3,440 hectares and has a current JORC Resource of 129Mt (measured, indicated and inferred) in the major coal producing province in Indonesia. Universal has been coordinating with the relevant authority to procure a forestry permit for the project, an important step in enabling work to commence on site.

- Universal is targeting a Singapore Stock Exchange Catalist Board listing. The Note entitles Polo to convert the principal outstanding as well as any accrued interest into not less than 20 per cent of the share capital of Universal as enlarged by such a conversion.

- Pursuant to the terms of the Note, Universal was required to, amongst others, deliver the approval of the shareholders of Pan Asia for the disposal of TCM to Universal within 3 months from the date of the Note. As at the date hereof, this approval has not been obtained and a default of the terms of the Note remains. PIL has served notice on Universal and the parties who provided security, namely PZC and Mr Boelio Muliadi, and is currently in discussions with them on a without prejudice basis for an amicable resolution.

- Celamin Holdings NL ("ASX: CNL") (Phosphate, Tunisia)

    - On 20 October 2016, Celamin issued an update regarding arbitration to resolve the dispute between its wholly owned subsidiary Celamin Limited and its joint venture partner Tunisian Mining Services ("TMS") and Chaketma Phosphates SA ("CPSA") in relation to the fraudulent transfer to TMS of Celamin's 51 per cent shareholding in CPSA.

    - The sole arbitrator appointed by the International Court of Arbitration of the International Chamber of Commerce ("ICC") has considered the jurisdictional challenges raised by TMS and has issued an award confirming Celamin's position regarding jurisdiction of the arbitrator and the ICC. This is a significant outcome and allows the arbitration proceedings to recover Celamin's interest in CPSA to continue. Celamin is also pursuing other legal actions in Tunisia including criminal proceedings. This will also pave the way for Celamin to return to being quoted on ASX and progressing the world class Chaketma Phosphate Project.

    - Polo holds a 33.23 per cent equity interest in Celamin. Celamin requested a voluntary trading of its shares on the ASX on 4 March 2015. At that time Celamin had a market capitalisation of approximately US$7.7 million. The shares remain suspended from trading on the ASX.

Datuk Michael Tang, Executive Chairman of Polo, said:

"It is very pleasing to see clear evidence that both Polo and our investment portfolio has strengthened considerably during the period as we hoped. Polo is confident that further value enhancing results from our investee companies will begin to emerge during 2017, helping to support the positive momentum which we have been seeing across our portfolio during the last six months.

"The Board believes that Polo is well placed to react quickly to add further opportunities and projects into the Company's portfolio, that offer strong growth potential, in line with the investment strategy recently approved by shareholders."

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About the Company

Polo Resources Limited is a multi-sector investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth prospects. For complete details on Polo, refer to: www.poloresources.com.

CAUTIONARY STATEMENT

The AIM Market of the London Stock Exchange Plc does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. All statements, other than statements of historical fact, in this news release are forward-looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of Polo. There can be no assurance that such statements will prove to be accurate, achievable or recognizable in the near term.

Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Polo assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

The Company's exploration and investment activities may also be affected by a number of risks, including legal, political, environmental, economic, financing, permitting, commodity, exploration and development and other market risks which are normal to the industry and referenced in greater detail in the Company's 2016 Annual Report for the period ending 30 June 2016, which may be found on the Company's website at profile on www.poloresources.com.

Chairman’s Statement

The period under review has seen Polo’s investee companies continue to make considerable progress with the Company continuing to grow its portfolio and asset value.

Overall the half year has seen several memorable milestones.

Blackham Resources Limited (“Blackham”) has made very significant progress achieving first gold pour in October 2016 at its flagship Matilda Gold Project, having taken the project from completion of a Definitive Feasibility Study (“DFS”) in February 2016. Blackham are already working on an expansion plan to double gold production to over 200,000oz pa. Since the half year end Blackham has also announced that it has successfully raised A$35 million through a heavily oversubscribed placement which will be used at Blackham's 100 per cent owned 6.4Moz Matilda/Wiluna Gold Operation to fast track its existing growth strategy.

Hibiscus Petroleum Berhad (“Hibiscus”) has also agreed to acquire Shell’s entire 50 percent participating interests in Malaysia’s North Sabah Enhanced Oil Recovery Production Sharing Contract, a deal which is set to conclude, subject to regulatory approval, in 2017. The Board believe that this will add significant value to Hibiscus both in terms of production income, but also in terms of infrastructure assets; further adding to its portfolio multi-filed producing oil assets.

Celamin Holdings NL (“Celamin”), also provided an update in October on its dispute with its local partner in the Chaketma Phosphate Project (“CPSA”) in Tunisia. The sole arbitrator appointed by the International Court of Arbitration of the International Chamber of Commerce (“ICC”) issued an award confirming Celamin’s position regarding jurisdiction of the arbitrator and the ICC. This means the arbitration proceedings to recover Celamin’s interest in CPSA will continue and the Board believe this will also pave the way for Celamin to return to being quoted on ASX.

In November 2016, our investee company GCM Resources Plc (“GCM”) the developer of the integrated Phulbari Coal and power project, located in Bangladesh, signed a Memorandum of Understanding (“MOU”) with China Gezhouba Group International Engineering Co. Ltd (CGGCINTL) a specialist engineering company. The MOU sets out the process to investigate the feasibility of a joint venture for the development of mine-mouth coal fired power plants generating up to 2,000 MW at the Phulbari mine development site. This news served to re-rate the share price of GCM and also reflected positively on Polo.

Post the reporting period, Ironstone Resources Ltd (“Ironstone”), signed a Letter of Intent ("LOI") with Greatbanks Resources Ltd (‘Greatbanks”), to establish a joint venture company (“JVC”). Under the terms of the LOI, Ironstone and Greatbanks will establish a newly incorporated JVC, to be held on a 50/50 basis, for the development of lithium carbonate extracted from Devonian-age lithium bearing brines that will be pre-concentrated using a patented and exclusively licensed technology.

Extracting minerals from oil-field waters to produce eco-friendly products is a very appealing concept, especially in today’s market to meet high environmental sustainability objectives. Devonian formation waters in parts of Alberta are noted to contain relatively high concentrations of lithium, including Ironstone's southern Clear Hills permits.

Ironstone also plans to manufacture advanced high-strength steels for domestic consumption in western Canada and the Pacific Northwest to serve markets including automotive, aerospace, defence, infrastructure and renewable energy.

Polo’s current portfolio includes gold assets: Blackham Resources Limited (6.06%) and Nimini Holdings Limited (90%); petroleum assets: Hibiscus Petroleum Limited (9.62%) and Regalis Petroleum Limited (13.67%); coal and power assets: GCM Resources Plc (27.8%) and Universal Coal Resources Pte Ltd (S$5,000,000 nominal value 15 per cent redeemable convertible note); lithium, iron and vanadium: Ironstone Resources Limited (18.8%); a phosphate asset: Celamin Holdings NL (33.23%); and a copper asset: Weatherly International Plc (5.2%) and various liquid short term investments.

Given the market conditions the Company has amended its investment strategy, as we announced in our Annual Report and which was ratified at the Company's Annual General Meeting in January this year. To summarise, the Board believe that growth in Asia and the Pacific will remain strong and that the Company's strategy should be to focus more on direct and indirect investments in this geographical location. This change in investment policy is supported by analyses undertaken by Multilateral Organisations. As an illustration of this, the Asian Development Bank states that economic activity in Asia will continue to grow, with the region expecting to contribute to about 60 per cent of global growth in the next couple of years. Moving forward, the Company's strategy will be to make direct and indirect investments in a portfolio of businesses and assets with at least the majority of their operations or early stage companies that intend to have at least the majority of their operations in Asia Pacific.

The last six months have seen a significant turnaround in sentiment and momentum in the natural resources sector. This sentiment is being seen across our investments and their operations and is underpinning our new investment strategy. We are confident that as the impact of the results from our investee companies are realised this will also feed through to Polo and its share price. I would also like to take this opportunity to thank all our shareholders for their continued support as we enter what we believe will be an exciting period for Polo and its investee companies.

Datuk Michael Tang, PJN
Executive Chairman
29 March 2017

Investment Update

Gold

Blackham Resources Limited (ASX: BLK)

- Gold, Western Australia
- Coal, Southwest Australia
- Combined direct and indirect 6.06 per cent equity interest

Blackham's 100 per cent owned Wiluna Gold Plant has been refurbished to a name plate 1.7Mtpa. In May 2016, Blackham announced that it was on track to mobilise the mining contractors for the Matilda open pit and Golden Age underground mine and it expected gold production in the September Quarter 2016.

The expanded Matilda/Wiluna Gold Project now includes JORC 2012 Measured, Indicated and Inferred Resources of 63Mt @ 3.2g/t for 6.4Moz Au (48 per cent indicated) within a +1,000km^2 tenement package which has historically produced in excess of 4.3 million ounces. This represents a 25 per cent increase from the resource announcement of June 2016.

First gold pour was achieved in the 3rd week of October 2016 and practical completion for the plant refurbishment was achieved in November 2016. During the Quarter ended 31 December 2016, Blackham continued to ramp up Stage 1 production. Quarterly gold production totaled 8,773oz with 4,894oz produced in the month of December. Management have now declared commercial production from the Matilda/Wiluna Operation. Blackham's FY17 production forecast is 60,000 to 70,000oz.

Growth in the open pit resources will underpin the base load feed and growth in the underground resources will provide important grade profile for Wiluna processing plant.

Open pit mining is currently focused on the Matilda M10 and M3 pits which are both through the depletion zone and into higher grade ore.

Underground mining continues to be focused on access and ore development to open up new stoping areas of the high grade Golden Age quartz reef.

Expansion Study

During the period under review, Blackham continued its mill expansion and mining studies aimed at increasing production above 200,000ozpa. The expansion study has targeted this as a production goal in the next two years to be achieved mainly through the treatment of the Wiluna sulphide ore which has current open pit and underground Measured, Indicated and Inferred Resources of 37Mt @ 4.0 g/t. Unlocking the value of the sulphide ore is a crucial part of this strategy which involves increasing mining output and increasing the capacity of the mill by running the sulphide circuit in conjunction with the current operating free milling circuit.

Blackham has received a draft report on a recommended processing flowsheet for an additional 1.5Mtpa in new crushing, grinding and floatation circuit to feed the existing BIOX plant. The commissioning of this additional capacity in addition to the recently refurbished 1.7Mtpa oxide circuit would see total capacity of ~3.2Mtpa across the oxide and sulphide circuits, all located at the Wiluna processing hub. The Expanded Wiluna plant would bring significant economies of scale to the combined project with all the resources sitting within a 20km radius of the processing plant.

Current mine planning is focused on the planned 1.5Mtpa sulphide circuit being fed equally from both the open pits and the underground. The Wiluna underground mine plan would have 2 of the existing 5 declines in operation at any point in time.

The significant growth in Mineral Resources confirms the need to expand the Wiluna gold plant production beyond 200kozpa. Blackham is advancing its mining studies over the Wiluna open pit areas with a view to updating its mine plan and publishing its maiden Wiluna open pit reserves.

Investment Update

In June 2016, Polo's subsidiary, PIL, exercised its right to purchase a further 49 per cent of Perfectus Management Limited ("Perfectus") (taking Polo's interest in Perfectus to 98 per cent) for A$3.0 million satisfied by the issue of 9,832,358 new ordinary shares in Polo at the price agreed in 2014 of 15 pence per share (against Polo's share price which closed at 4 pence on 4 June 2016). Upon completion, Polo's undiluted interest in Blackham increased to approximately 8.11 per cent.

Perfectus owns 5,888,495 ordinary shares (approximately 2.3 per cent.) in Blackham's issued fully paid ordinary share capital. Polo directly holds a further 14,761,905 (approximately 5.83 per cent.) Blackham ordinary shares.

In January 2017, Blackham announced that it has raised A$35 million through a placement at a price of A$0.68 per share. The placement proceeds will be used at the Matilda/Wiluna Gold Operation to fast track its existing growth strategy. Having a strengthened balance sheet will enable the Blackham to: expedite the conversion of the large resource base into reserves; improve and lengthen the mine life; accelerate studies to enhance the Stage 2 expansion economics; and commit to Stage 2 engineering and long lead items immediately on finalisation of feasibility.

The funding allows for the Wiluna expansion studies aimed at lifting plant throughput to 3.2Mtpa. Geological and mining studies to date demonstrate strong grades for an operation of this size. The initial expansion plan is expected to be completed in the near term and having a strengthened balance sheet will allow Blackham to expedite its sizeable growth plans.

The full details of Blackham's announcements can be found at www.blackhamresources.com, including a competent person's statement (JORC 2012) in respect of the Matilda Gold Project DFS Summary.

Nimini Holdings Limited

- Gold, Sierra Leone
- 90 per cent equity interest

Polo holds a 90 per cent interest in Nimini Holdings Limited ("Nimini"), which through its wholly owned Sierra Leone subsidiary, holds 100 per cent of the Komahun Gold Project ("the Project") situated in the Kono District.

In order to progress the Project, Nimini must first obtain a satisfactory Mine Development Agreement ("MDA") involving Ministerial execution and parliamentary ratification. The MDA sets out, *inter alia*, the key fiscal/commercial terms under which the Project will operate and is therefore essential to advancing the Project to completion of a DFS.

Unfortunately the MDA process has become protracted; having started in 2014 then interrupted by the Ebola crisis, recommencing in late 2015 and continuing beyond the reporting period. After careful consideration, the Nimini Board has taken a number of steps to contain costs and at the same time apply as much pressure as possible to obtain the MDA:

- At the end of the reporting period local staff were notified that employment contracts would be terminated;
- Payment of the very considerable Mining Licence annual fees have been withheld and instead a written commitment was presented to Government that all outstanding payments would be paid upon registration of a ratified MDA;
- As a sign of good faith the Environmental Licence renewal fee was paid, albeit at a significantly reduced amount relative to prior years;
- Nimini appointed two highly qualified Sierra Leone nationals as directors of its subsidiary Nimini Mining Limited to refocus MDA discussions with the Government.

Subsequent to the reporting period, notice was given to terminate the Operator Agreement between Nimini and Plinian Capital Limited effective from the 26 March 2017 anniversary date. After that date, it was agreed that activities previously undertaken by Plinian will be carried out by Nimini's shareholders.

It is reported that Sierra Leone's economy is suffering and that the country needs to encourage investment, particularly in the natural resources sector. Support for the country's first large-scale gold mining operation through a ratified MDA for Nimini would certainly encourage further investment in this sector, particularly given the recent upward trend in commodity prices. Also, with national elections scheduled for early 2018, observers believe ratification of Nimini's MDA with implied employment and investment benefits for the Kono District would give timely positive political signals.

Given that none of the actions taken to conserve costs is irreversible, Nimini therefore looks forward to a successful conclusion to the MDA negotiations and the recommencement of its site activities to enable the Project to advance to DFS.

Oil and Gas

Regalis Petroleum Limited

- Oil, Republic of Chad
- 13.67 per cent equity interest

Polo interest in the private and independent oil and gas company, Regalis Petroleum Limited ("Regalis") increased to 13.67 per cent following an in-specie distribution by Polo's 42 per cent owned associate, Signet Petroleum Nigeria Limited and transfers from other Signet shareholders.

Regalis has interests in three highly prospective onshore exploration blocks in the Republic of Chad. Regalis completed a 5,349km airborne gravity/magnetic survey over Blocks DOA and WD2-2008 which are on trend with existing and recent Glencore/Caracal discoveries.

However, Polo has recorded an impairment charge of US$14.7 million on the carrying value of its investment in Regalis as no further progress has been made by Regalis in pursuing its exploration strategy, and Regalis is actively seeking further funding, but with no success currently.

Hibiscus Petroleum Berhad (HIBI: MK)

- Oil and Gas, United Kingdom and Australia
- 9.62 per cent equity interest

Hibiscus' strategy since listing its listing in 2011 has been to invest in a balanced portfolio of assets across the spectrum of upstream oil and gas exploration and production activities with key focus on politically stable areas. On 2 December 2015, Polo invested in Hibiscus, a Main Market of Bursa Malaysia Securities Berhad listed company with a US$5 million cash subscription for 90 million new ordinary shares which represented a strategic 8.4 per cent stake and was acquired at a price MYR0.235 per share (settled in US$ at an agreed rate of MYR/US$4.238), a 4.08 per cent discount to the Hibiscus closing price of MYR0.245 on 1 December 2015. At that time Hibiscus had a market capitalisation of approximately US$56 million.

On 10 March 2016, working under a 50:50 JV arrangement Hibiscus and Ping Petroleum UK Limited completed the acquisition of the Anasuria Cluster which a package of geographically focused producing fields with associated enabling infrastructure in the North Sea, UK. The Anasuria Cluster came with stable positive cash flow from current production, in-field future development opportunities and exploration upside.

Today, the five discovered oil fields within Anasuria Hibiscus' licence boundaries include Guillemot A, Teal, Teal South, Cook and Kite. Within these fields, there are: existing production which remains cash flow positive at current oil prices; discovered but undeveloped reserves; discovered but not, at this time, commercially proven resources called Contingent Resources; and, some potential oil and gas deposits which are yet to be proven, called Prospective Resources.

The Guillemot A, Teal, Teal South and Cook fields have the necessary infrastructure installed and have been producing to the Anasuria FPSO since the late 1990's. Based on Hibiscus' (internal and independent third party) assessment of these assets, Hibiscus believes that – subject to oil price, capital investment and operating expenditures – another 20 years of economic production is feasible.

Operationally, Hibiscus reports that during the December quarter, circa 300,000 barrels of oil were produced from various fields within the Anasuria Cluster and were sold at a realised price of US$41.7 per barrel contributing to a revenue of RM61.8 million for the quarter.

The average production rate for the quarter stood at approximately 4,400 barrels of oil equivalent ("boe") per day. Other significant performance indicators were that operating expenditure per boe was circa US$13.0, under-pinned by strong average facilities uptime of about 98 percent.

In July 2016, Polo's subsidiary, PIL, increased its interest in Hibiscus to 10.20 per cent (since diluted to 9.90 per cent) via the subscription of 48.9 million new shares at an issue price of MYR0.18 per share. This increase in shareholding makes PIL the second largest shareholder of Hibiscus after the Hibiscus management team.

In October 2016, Hibiscus announced that its indirect wholly-owned subsidiary, SEA Hibiscus Sdn Bhd ("SEA Hibiscus") has entered into a conditional sale and purchase agreement with Sabah Shell Petroleum Company Limited and Shell Sabah Selatan Sdn Bhd (collectively "Shell") to acquire Shell's entire 50 percent participating interests in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract ("PSC") for a purchase consideration of US$25 million (excluding post completion adjustments and reimbursements to Shell). Shell's interest also includes operatorship responsibilities which would be transferred to SEA Hibiscus through a transfer of operatorship program. This acquisition is expected to complete in 2017 and is subject primarily to obtaining regulatory approval of Petroliam Nasional Berhad ("PETRONAS") and consent of Petronas Carigali Sdn Bhd ("Petronas Carigali"), a fifty percent joint venture partner in the PSC.

The PSC comprises of four producing oil fields and associated infrastructure; i.e. St Joseph, South Furious, SF30, and Barton oilfields which are located in a key hydrocarbon province in Malaysia and have delivered reliable production since coming on stream in 1979. The PSC also contains pipeline infrastructure and the Labuan Crude Oil Terminal, an onshore processing plant and oil export terminal. The PSC also provides long-term production rights until 2040 with identified future development opportunities which are expected to add incremental 2P/2C resources up to 79 million barrels. This bodes well for the increased trajectory of Hibiscus Petroleum into the next milestones of its growth. The fields are reported by independent technical valuer, RISC Operations Pty Ltd to be producing over 16,000 barrels of oil per day and have an estimated remaining developed reserves (2P) of 62 million barrels as of April 2016.

Petronas Carigali is a wholly-owned subsidiary of PETRONAS which is the national oil company of Malaysia. PETRONAS is a fully integrated oil and gas multinational ranked among the largest corporations on FORTUNE Global 500®.

Some details of the PSC:

	Units	Total
Average Daily Production 2015[1]	kstb/d[3]	18
Remaining Reserves (2P)[2]	MMstb[4]	62
Contingent Resources (2C)[2]	MMstb	79
Platforms/Structures[1]		19
Wells		135

1. Actuals (source: Shell).
2. Figures derived by independent technical valuer, RISC Operations Pty Ltd, based on 1005 interest in the PSC,

as of January 2016.
3. Thousand stock tank barrels per day.
4. Million stock tank barrels.

On a macro-scale, OPEC and non-OPEC co-operation has resulted in a resurgence of oil prices. Whilst Hibiscus did not immediately benefit from the oil price spike that followed the 30 November 2016 OPEC meeting, Hibiscus hopes to do so in the following quarters.

Coal

GCM Resources Plc (AIM: GCM)

- Coal and Power Projects, Bangladesh
- 27.8 per cent equity interest

AIM traded GCM Resources Plc ("GCM") is planning an integrated coal mine and mine mouth power project ("the Phulbari Project") based on the a world class deposit of 572 Mt (JORC 2004 compliant) coal deposit. The GCM initiative dovetails well with the Bangladesh Government's plan to increase coal-fired power generation to 19,000 MW by 2030. The Government's plan would result in over half of the country's power being supported by coal and will offset the impact of a diminishing gas reserve which is currently responsible for over 60 per cent of the power generated.

On the 11th November 2016 GCM announced that it had signed a Memorandum of Understanding ("MOU") with China Gezhouba Group International Engineering Co. Ltd ("CGGCINTL") a specialist engineering company. The MOU sets out the process to investigate the feasibility of a joint venture for the development of mine-mouth coal fired power plants generating up to 2,000 MW at the Phulbari mine development site. GCM and CGGCINT have already passed through an initial review phase for the power plant and are mobilising to undertake a Pre-Feasibility Study ahead of a full Feasibility Study and Engineering, Procurement and Construction proposal.

The Phulbari Project will produce some 12 million tonnes of thermal coal per year and consultants confirm that this could support some 6,000 MW if the very the latest ultra-supercritical power plant technology is employed. This would see the Phulbari Project not only being able to support significant mine-mouth power generation but also being able to support other Independent Power Producers in Bangladesh. However, by not requiring coal transportation, power generated at the Phulbari mine site will result in a very competitive power tariff.

GCM can upon approval of the Phulbari Project therefore help the Bangladesh Government meet about one-third of its planned 2030 coal-fired power generation.

In the period under review, no further impairment charge has been taken to the carrying value of our investment.

Universal Coal Resources Pte Ltd

- Coal Project, Indonesia
- 15 per cent redeemable convertible note

In May 2016, Polo's subsidiary, PIL, has entered into a secured S$5,000,000 nominal value 15 per cent redeemable convertible note ("Note") with Universal Coal Resources Pte Ltd ("Universal").

Universal is a company incorporated in Singapore, which, in turn, has entered into a conditional agreement to acquire an indirect 75 per cent interest in PT Transcoal Minergy Coal Project ("TCM"), a company incorporated in Indonesia, from a Pan Asia Corporation Ltd. (ASX: PZC) subsidiary.

TCM is the owner of a Production Operation Mining Business Licence (being an Indonesian business licence), in respect of a mining concession area in Mantewe District, Tanah Bumbu Regency, South Kalimantan Province, Indonesia. This comprises of 3,440 hectares ("TCM Coal Project") and is a major coal producing province in Indonesia. The TCM Coal Project is focused on developing a two million tonnes ("Mt") per annum underground mine delivering a high quality Bituminous Coal saleable product of some 6,200 kcal/kg specific energy (GAR – Gross as Received). The current JORC Resource of 129 Mt (measured, indicated and inferred)* has been derived from the southern area of the concession and there is potential to upgrade and increase the resource base through drilling the northern area. TCM's production permit extends to April 2028. Further drilling and a full final feasibility study are required to be completed and forestry approval obtained prior to commencement of mine development. The TCM Coal Project will utilise existing coal transportation infrastructure including a 50 kilometre haul road to the river port at Batulicin, a major coal shipping centre.

Universal is targeting a Singapore Stock Exchange ("SGX") Catalist Board listing and the Note entitles Polo to convert the principal outstanding plus any accrued interest into not less than 20 per cent of the share capital of Universal as enlarged by such conversion at any time up to 18 months from draw-down, or earlier upon the receipt of approval in principle to list. The Note is repayable 18 months from draw-down unless previously converted.

Universal has been coordinating with relevant authority to procure forestry permit for the TCM Coal Project and the company is currently in the final stages and hopes to complete the process and obtain the forestry license which is an important piece in enabling work to commence on site. At the same time, Universal are also engaging discussion with parties exploring the possibility of contractual development of the coal mine. Upon receipt of the forestry license, Universal will then proceed to appoint qualified person to conduct an Independent Qualified Person Report and valuation report which are required for approval of SGX. Universal also intends to acquire a coal trading company prior to submission on SGX.

Pursuant to the terms of the Note, Universal was required to, amongst others, deliver the approval of the shareholders of Pan Asia for the disposal of TCM to Universal within 3 months from the date of the Note. As at the date hereof, this approval has not been obtained and a default of the terms of the Note remains. PIL has served notice on Universal and the parties who provided security, namely PZC and Mr Boelio Muliadi, and is currently in discussions with them on a without prejudice basis for an amicable resolution.

Lithium, Iron, Vanadium and Precious Metals

Ironstone Resources Limited

- Lithium, Iron, Vanadium and Precious Metals, Canada
- 18.84 per cent equity interest

Ironstone Resources Limited ("Ironstone"), headquartered in Calgary, Alberta is advancing development of its Clear Hills Project located in the Peace Region of NW Alberta. Featuring a large compliant poly-metallic iron and vanadium resource and lithium-bearing brines, quality infrastructure, high value commodities, top tier partners and local and institutional support – the Clear Hills Project is designed to produce valuable commodities for the advanced manufacturing and renewable energy industries.

In April 2016, Ironstone completed its Strategic Plan designed to guide the company through its Clear Hills Project commercialization phase. Ironstone's partner, North American Coal, an industry leader in cost-effective open pit mining, has completed a Conceptual Mine Plan on the Clear Hills Project, featuring a relatively low-cost open pit mine design and environmentally-friendly electric drag-lines for overburden removal and surface miners to strip the ore body.

Ironstone's strategic plan includes two significant initiatives to be undertaken in parallel this year, to advance its Clear Hills Project through feasibility (FS) stages in 2018, which are highlighted below.

Production of Lithium Carbonate from Clear Hills lithium-rich formation brines

With the burgeoning demand for lithium and vanadium "electric metals" needed for batteries for use in electric cars, consumer electronics and renewable energy storage, the spotlight has grown on companies like Ironstone. In addition to owning a significant resource of vanadium pentoxide in the Clear Hills (2.45 billion pounds contained), Ironstone holds the mineral rights to lithium, and other performance elements such as potash, bromine and boron, in the Devonian-age reservoirs that underlie its permits. These carbonate reservoirs that typically produce oil and gas, also contain significant amounts of formation waters with elevated concentrations of lithium, a key component of rechargeable batteries.

Since solar evaporation is untenable in northern climates, a key element in commercializing lithium production from formation brines is to rapidly and economically pre-concentrate the lithium within a short time period prior to refining the lithium into its marketable carbonate form. Ironstone has been working with a Canadian company with expertise in remediating waste and production waters, and has successfully demonstrated that its patented technology is well-suited to pre-concentrating lithium in brines. An exclusive global license has been negotiated to between the companies to implement the technology to process Ironstone's Clear Hills brines, in addition to seeking potential third-party licensing opportunities. The jointly-developed process will be known as LiREC®.

Following the above, Ironstone entered into a Letter of Intent with a junior TSX-V publicly traded resource company, Greatbanks Resources Ltd, seeking to acquire a 50 per cent interest for C$2 million in a new company created by Ironstone to commercially develop its lithium resource and technology assets. Subject to executing a Definitive Agreement, the new jointly-owned Alberta corporation, will fast-track the commercial development of the Clear Hills lithium resource and LiREC® technology over an 18-month period. After additional pre-feasibility level evaluations are conducted in March 2017, a LiREC® demonstration pilot test will be conducted in the summer months in the Clear Hills leading to completing a feasibility study in Q1 2018 for a commercial 2,500 tonne per year lithium carbonate plant.

Refined High-Purity Metal Powders – Iron, Vanadium and Cobalt

Ironstone was approached by a Canadian company specializing in the production and marketing of specialized metal powders for unique vertical markets including the medical, additive manufacturing (3D printing) and specialized automotive and aerospace powder metallurgical parts manufacturing. Of keen interest to the company is the close proximity of Ironstone's large, compliant Clear Hills iron and vanadium resource in business-friendly Alberta.

In order to determine the efficacy of the company's metal refining technology, Ironstone submitted samples of its ore for baseline tests in late 2016. Extremely positive test results with high recoveries of high-purity iron were reported to Ironstone in January 2017. Based on the successful evaluations, Ironstone will be entering into a business relationship with the company, and will then conduct pilot tests in Q2 2017 with the results to be reported in a pre-feasibility study ("PFS") level report in Q3 this year. Following the PFS, a large-scale demonstration project will be conducted leading to a bankable feasibility study, with completion anticipated in Q2 2018.

In addition to producing refined iron powders, recovery of vanadium (and cobalt) will be determined using complementary technologies developed by the company. Refined metal powders typically sell for between C$5,000 to C$10,000 per tonne in the world market today, and are highly sought after due to their high purity and flexibility of application.

<u>Phosphate</u>

Celamin Holdings NL (ASX: CNL)

- Phosphate, Tunisia
- 33.23 per cent equity interest

On 20 October 2016, Celamin issued an update regarding the arbitration to resolve the dispute between its wholly owned subsidiary Celamin Limited and its joint venture partner Tunisian Mining Services ("TMS") in relation to the fraudulent transfer to TMS of Celamin's 51 per cent shareholding in Chaketma Phosphates SA ("CPSA").

The sole arbitrator appointed by the International Court of Arbitration of the International Chamber of Commerce ("ICC") has considered the jurisdictional challenges raised by TMS and has issued an award confirming Celamin's position regarding jurisdiction of the arbitrator and the ICC. The arbitration proceedings on the merits to recover Celamin's interests will now continue.

Celamin has already been granted certain emergency and later interim orders from the sole arbitrator against TMS (refer to Celamin's ASX release dated 14 April 2016) preserving the status quo regarding CPSA's share and assets until the dispute is finally determined. These orders were made without prejudice to the decision of the sole arbitrator on the merits of the case. These orders continue in force for the purpose of preventing TMS's disposal of CPSA's shares and assets and ensuring a continuous disclosure of information to Celamin in relation to CPSA activity and the Chaketma Permit.

TMS has not complied with these orders to date and penalties have been ordered for failure to comply.

The arbitrator did not accept jurisdiction over CPSA and CPSA will not continue as a party to the arbitration on the merits of the case. Celamin's board is of the view that this will not affect either the relief sought or the enforceability of any orders against TMS.

Polo believes both that Celamin will be sufficiently funded through the period necessary to resolve the dispute and has been advised by Celamin's management that the dispute will be resolved in Celamin's favour. Polo further appreciates that the legal process has restricted Celamin making announcements.

The full details of the background of the dispute can be found at www.celaminnl.com.au and the Celamin Half Year Report for 31 December 2015.

Copper

Weatherly International Plc (AIM; WTI)

- Copper, Namibia
- 5.2 per cent equity interest

Weatherly's core asset is the Tschudi open pit heap leach SX/EW copper mine. Production at its Otjihase and Matchless underground mines ("Central Operations") remains suspended from 2015 when the copper price dropped below US$5,000/tonne. The Central Operations have potential and remain in project development status. Tschudi open pit operation is based on:

  - Resources (JORC): 49.7Mt at 0.8% Cu (0.3% Cu cut off)
  - Open Pit Reserve: 22.7Mt at 0.85% Cu
  - Mine life: 9 years
  - Processing rate: 2.6MT/year ore
  - Mining Strip Ratio: 6.3 to 1 (average over life of mine)
  - Plant Design Capacity: 17,000 tonnes per annum copper cathode

During Q2 2016 (in the lead-up to the reporting period) the Tschudi open pit mine encountered unexpected excessive groundwater inflows that negatively impacted mine production and Weatherly's ability to maintain scheduled copper production rates. This serious problem was brought under control during the reporting period.

Weatherly is now working on a long-term groundwater management plan that aims to extract groundwater ahead of mine development thus reducing risk of future mining production delays and at the same time reducing the overall groundwater management cost.

Tschudi production for the half year to 31 December 2016 was 8,137 tonnes Copper Cathode with a Production C1 costs US$ 4,603 per tonne.

At Central Operations, safe and productive underground mining skills developments are critical to unlocking the opportunity to resume production at sustainable unit costs in future. Weatherly has identified a low-risk and potentially incrementally cash-generative opportunity to commence with its skills development programme at Otjihase. Weatherly intends investigating the potential for such skills development to support a strategic goal of achieving 10-12ktpa of contained copper in concentrate from the underground mines at C1 costs below US$4,400 per tonne (US$2/lb). Weatherly plans to study the opportunity further before taking any decisions to proceed.

Weatherly also announced during the reporting period that it has entered into a Cooperation Agreement in respect to the Exclusive Prospecting License 5772 covering the Ongombo prospect area within 25km of the Otjihase concentrator. The agreement clarifies the intention of the two parties to work together to seek to develop mining prospects in the vicinity of the Otjihase concentrator which may otherwise not be viable. The parties will initially share technical information on their respective projects. Previous holders of prospecting licenses over the Ongombo project reported a JORC compliant resource of 10.5Mt @ 1.6 per cent Cu in 2012.

While spot copper prices increased notably in December 2016 (hovered within the range US$5,500-6,000 per tonne), Weatherly advised in January 2017 that certain hedges had been implemented prior to that price increase and during the second half of the financial year the Company currently has prices for 3,400 tonnes of production fixed at US$5,077 per tonne. This hedging position is in addition to the option (but not the obligation) to purchase up to 700 tonnes per month at US$5,000 per tonne until May 2017 held by Orion Mine Finance (Master) Fund I LP (Orion). This was agreed and announced on 2 June 2016 as a fee in consideration of deferred repayment of loan amounts due. Beyond the current financial year the Company has a hedging commitment of 450 tonnes of copper at US$5,102 per tonne.

Weatherly announced on 23 February 2017 that a rescheduling of repayments in relation to the facility agreement between Orion Mine Finance and Weatherly's subsidiary, Ongopolo Mining Limited, had been concluded.

Financial Position

The Group reported an operating loss of US$1.02 million for the six months to 31 December 2016 (31 December 2015: US$3.04 million). As at 20 March 2017, the Group had a net position of cash, receivables and short term investments of US$18.96 million (31 December 2016: US$19.52 million). Listed and unlisted investments at marked to market value, cost and valuation amounted to US$45.07 million (31 December 2016: US$44.02 million). The combined total of cash, receivables, payables, listed and unlisted investments was US$60.47 million as of 20 March 2017 (31 December 2016: US$59.99 million) which is equivalent to a Net Asset value of approximately 15.643 pence per Polo share (31 December 2016: 15.636 pence per share).

The Directors have reviewed the Group’s budget for 2016, as well as longer term financial cash flow projections and have considered a range of different scenarios together with their associated risks and uncertainties, and the impact of these scenarios on the Company’s cash balances. Additionally, the Directors have assessed the likelihood of future funding requirements. Based on these activities, the Directors are satisfied that the Company maintains a healthy financial position from the date of the signing of these financial statements, enabling Polo to take a flexible approach to the acquisition and disposal of investments.

I would like to thank all our shareholders, partners and advisers for their continuing support.

Datuk Michael Tang, PJN
Executive Chairman

Polo Resources

POLO RESOURCES LIMITED

("**Polo**", **"Polo Resources"** or the "**Company**")

Unaudited Interim Results for the six months ended 31 December 2016

POLO RESOURCES LTD

CONSOLIDATED INCOME STATEMENT

FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

	Note	6 months ended 31 December 2016 (unaudited) $ 000's	6 months ended 31 December 2015 (unaudited) $ 000's	Year ended 30 June 2016 (audited) $ 000's
Gain / (Loss) on sale of investments		(4)	-	25
Investment income		15	884	900
Impairment of AFS investments		-	-	(15,685)
Impairment of associates		-	(2,033)	-
Administrative & exploration expenses		(1,040)	(1,320)	(2,917)
Share options expensed		-	(570)	(727)
Expensed exploration costs		-	-	(1,275)
Impairment of exploration and evaluation costs		-	-	(13,000)
Currency exchange gain		5	2	-
Group operating (loss)		**(1,024)**	**(3,037)**	**(32,679)**
Share of associates results		(333)	(497)	(822)
Negative goodwill written-off		-		1,615
Finance revenue		80	70	692
Other income		-	-	37
(Loss) before taxation		**(1,277)**	**(3,464)**	**(31,157)**
Income tax expense		-	-	-
Retained (loss) for the financial period		**(1,277)**	**(3,464)**	**(31,157)**
Attributable to:				
Equity holders of the parent		**(1,276)**	**(3,463)**	**(29,723)**
Non-controlling interests		**(1)**	**(1)**	**(1,434)**
		(1,277)	**(3,464)**	**(31,157)**
Earnings per share:	**2**			
Basic earnings per share (US cents)		**(0.41)**	**(1.23)**	**(10.64)**
Diluted earnings per share (US cents)		**(0.40)**	**(1.14)**	**(10.49)**

POLO RESOURCES LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

	6 months ended 31 December 2016 (unaudited) $ 000's	6 months ended 31 December 2015 (unaudited) $ 000's	Year ended 30 June 2016 (audited) $ 000's
Retained (loss) for the period	(1,277)	(3,464)	(31,157)
Gain/(loss) on market value revaluation of available for sale investments	4,341	(2,363)	2,289
Currency translation differences	(249)	(250)	(162)
Other comprehensive income for the period net of taxation	4,092	(2,613)	2,127
Total comprehensive income	**2,815**	**(6,077)**	**(29,030)**

POLO RESOURCES LTD

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2016

	Note	31 December 2016 (unaudited) $ 000's	31 December 2015 (unaudited) $ 000's	30 June 2016 (audited) $ 000's
Non-current assets				
Intangible assets - licences and exploration costs		-	-	-
Tangible assets		5,256	18,386	4,598
Interest in associates	**3**	4,550	5,099	4,883
Available for sale investments	**4**	29,558	30,223	25,452
Trade and other receivables		3,678	3,542	3,603
Total non-current assets		**43,042**	**57,250**	**38,536**
Current assets				
Trade and other receivables		2,959	589	2,449
Available for sale investments	**4**	6,528	2,767	5,167
Cash and cash equivalents		6,359	15,756	9,615
Total current assets		**15,846**	**19,112**	**17,231**
Total Assets		**58,888**	**76,362**	**55,767**
Current Liabilities				
Trade and other payables		(3,557)	(3,331)	(3,251)
Total Liabilities		**(3,557)**	**(3,331)**	**(3,251)**
Net Assets		**55,331**	**73,031**	**52,516**
Shareholders' equity				
Share capital		-	-	-
Share premium		306,714	304,549	306,714
Share based payment reserve		908	2,983	908
Foreign exchange reserve		17,437	17,598	17,686
Available for sale investments reserve		2,355	(7,086)	(2,434)
Retained earnings		(269,049)	(243,297)	(267,325)
Minority interest		(3,034)	(1,716)	(3,033)
Total Equity		**55,331**	**73,031**	**52,516**

POLO RESOURCES LTD

CONSOLIDATED CASH FLOW STATEMENT

FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

	6 months ended 31 December 2016 (unaudited)	6 months ended 31 December 2015 (unaudited)	Year ended 30 June 2016 (audited)
Cash flows from operating activities	**$ 000's**	**$ 000's**	**$ 000's**
Operating (loss)	(1,024)	(3,037)	(32,679)
Decrease/ (increase) in trade and other receivables	(510)	418	(1,442)
Increase in trade and other payables	306	81	1
(Increase) in available for sale investments	(1,122)	(5,067)	(8,771)
Foreign exchange (gain)/ loss	(5)	(2)	(5)
Share options expensed	-	570	727
Impairment of AFS investments	-	-	15,685
Impairment of associates	-	2,033	-
Loss on sale of PPE	-	-	-
Depreciation and impairment	-	-	13,731
Net cash (outflow) from operating activities	**(2,355)**	**(5,004)**	**(12,753)**
Cash flows from investing activities			
Finance revenue	80	70	692
Other income	-	-	37
Receipts/(Payments) from/to sale/purchase of tangible assets	(716)	(542)	-
Loan (advanced)/repayments to/from third party	(75)	(70)	(131)
Net cash (outflow) from investing activities	**(711)**	**(542)**	**598**
Cash flows from financing activities			
Issue of ordinary share capital	-	-	-
Net cash (outflow) from financing activities	**-**	**-**	**-**
Net (decrease) in cash and cash equivalents	**(3,066)**	**(5,546)**	**(12,155)**
Cash and cash equivalents at beginning of period	9,615	21,550	21,550
Exchange (loss)/ gain on cash and cash equivalents	(190)	(248)	220
Cash and cash equivalents at end of period	**6,359**	**15,756**	**9,615**

POLO RESOURCES LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

Group (unaudited)	Equity Contribution $ 000's	Available for sale investment reserve $ 000's	Foreign currency translation reserve $ 000's	Share based payment reserve $ 000's	Retained earnings $ 000's	Total $ 000's	Non-Controlling Interest $000's	Total Equity $ 000's
As at 1 July 2016	**306,714**	**(2,434)**	**17,686**	**908**	**(267,325)**	**55,549**	**(3,033)**	**52,516**
(Loss) for the period	-	-	-	-	(1,276)	(1,276)	(1)	**(1,277)**
Gain/(Loss) on market value revaluation of available for sale investments	-	4,341	-	-	-	4,341	-	**4,341**
Transfer to income statement	-	448	-	-	(448)	-	-	**-**
Currency translation differences	-		(249)	-	-	(249)	-	**(249)**
Total Comprehensive income	**-**	**4,789**	**(249)**	**-**	**(1,724)**	**2,816**	**(1)**	**2,815**
Share capital issued	-	-	**-**	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	**-**
Share options expired								
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	**-**
As at 31 December 2016	**306,714**	**2,355**	**17,437**	**908**	**(269,049)**	**58,365**	**(3,034)**	**55,331**

Group (unaudited)	Equity Contribution $ 000's	Available for sale investment reserve $ 000's	Foreign currency translation reserve $ 000's	Share based payment reserve $ 000's	Retained earnings $ 000's	Total $ 000's	Non-Controlling Interest $000's	Total equity $ 000's
As at 1 July 2015	**303,059**	**(4,723)**	**17,848**	**2,413**	**(239,834)**	**78,763**	**(1,715)**	**77,048**
(Loss) for the period	-	-	-	-	(3,463)	(3,463)	(1)	**(3,464)**
(Loss) on revaluation of available for sale investments	-	(2,363)	-	-	-	(2,363)	-	**(2,363)**
Currency translation differences	-	-	(250)	-	-	(250)	-	**(250)**
Total comprehensive income	**-**	**(2,363)**	**(250)**	**-**	**(3,463)**	**(6,076)**	**(1)**	**(6,077)**
Share capital issued	1,490	-	-	-	-	1,490	-	1.490
Share based payments	-	-	-	570	-	570	-	**570**
Total contributions by and distributions to owners of the Company	1,490	-	-	570	-	2,060	-	**2,060**
As at 31 December 2015	**304,549**	**(7,086)**	**17,598**	**2,983**	**(243,297)**	**74,747**	**(1,716)**	**73,031**

POLO RESOURCES LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (continued)

FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

	Equity Contribut ion	Available for sale investment reserve	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total	Non-Controlling Interest	Total equity
Group (audited)	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$000's**	**$ 000's**
As at 1 July 2015	**303,059**	**(4,723)**	**17,848**	**2,413**	**(239,834)**	**78,763**	**(1,715)**	**77,048**
(Loss) for the period	-	-	-	-	(29,723)	**(29,723)**	(1,434)	**(31,157)**
Gain on market value revaluation of available for sale investments	-	2,289	-	-	-	**2,289**	-	**2,289**
Currency translation differences	-	-	(162)	-	-	**(162)**	-	**(162)**
Total Comprehensive income	**-**	**2,289**	**(162)**	**-**	**(29,723)**	**(27,596)**	**(1,434)**	**(29,030)**
Share based payments	-	-	-	727	-	**727**	-	**727**
Share options expired	-	-	-	(2,232)	2,232	**-**	-	**-**
Share issued	3,655	-	-	-	-	**3,655**	-	**3,655**
Total contributions by and distributions to owners of the Company	3,655	-	-	(1,505)	2,232	**4,382**	-	**4,382**
As at 30 June 2016	**306,714**	**(2,434)**	**17,686**	**908**	**(267,325)**	**55,549**	**(3,033)**	**52,516**

1. Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union ("IFRS") and those parts of the BVI Business Companies Act applicable to companies reporting under IFRS.

The financial information for the period ended 31 December 2016 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the period ended 30 June 2016 and as expected to be adopted in the statutory accounts for the year ending 30 June 2017. The figures for the period ended 30 June 2016 have been extracted from the accounts for the period ended 30 June 2016, which are available on the Company's website at www.poloresources.com, and contain an unqualified audit report.

The financial information contained in this document does not constitute statutory financial statements. In the opinion of the directors the financial information for this period fairly presents the financial position, results of operations and cash flows for this period.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union with the exception of International Accounting Standard ('IAS') 34 – Interim Financial Reporting. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements and should be read in conjunction with the Group's 2016 annual financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Polo Resources Limited and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions have been eliminated in full.

Foreign currencies

(a) Functional and presentation currency
The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The group's presentational currency is US Dollar ($).

(b) Group companies
The results and financial position of all the group entities are translated into the presentation currency as follows:

- Assets, liabilities and equity for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognized as a separate component of equity.

(c) Rates of exchange
US$ to one unit of foreign currency were as follows:

	As at 31 December 2016	**Average for the 6 months to 31 December 2016**	**As at 30 June 2016**	**Average for the period to 30 June 2016**
Pound Sterling	1.23016	1.27892	1.33949	N/A
Australian Dollar	0.72261	0.75392	0.74173	N/A
Canadian Dollar	0.74241	0.75825	0.76881	N/A
Singapore Dollar	0.69139	0.72481	0.74056	N/A

2. Earnings per share

The calculation of earnings per share is based on the (loss) after taxation divided by the weighted average number of shares in issue during the period:

	6 Months ended 31 December 2016 (unaudited)	6 Months ended 31 December 2015 (unaudited)	Year 30 June 2016 (audited)
Net (loss) after taxation ($000's)	(1,277)	(3,464)	(31,157)
Weighted average number of ordinary shares used in calculating basic earnings per share (millions)	311.79	282.68	292.93
Basic (loss) per share (expressed in US cents)	(0.41)	(1.23)	(10.64)
Weighted average number of ordinary shares used in calculating fully diluted earnings per share (millions)	315.79	304.18	296.93
Diluted (loss) per share (expressed in US cents)	(0.40)	(1.14)	(10.49)

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has one category of dilutive potential ordinary shares, namely share options. For share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determine as the average period market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

3. Interest in associates

	2016
	$ 000's
Group	
At beginning of the period	**4,883**
Share of associates' loss for the period	**(333)**
Impairment charge	**-**
As at 31 December 2016	**4,550**

The breakdown of the carrying values and fair values at the balance sheet date of the Group's interest in listed and unlisted associates is as follows:

Non-current assets	Carrying Value $ 000's	Fair Value $ 000's
GCM Resources Plc (listed)	**3,244**	**6,822**
Celamin Holdings NL (listed)	**1,306**	**2,385**
	4,550	**9,207**

The breakdown of the fair values as at 20 March 2017 of the Group's interest in listed and unlisted associates is as follows:

Non-current assets	Fair Value $ 000's
GCM Resources Plc (listed)	**5,030**
Celamin Holdings NL (listed)	**2,541**
	7,571

4. Available for sale investments

Group – Listed & Unlisted Investments	**$ 000's**
At 1 July 2016	30,619
Acquired during the period	2,187
Disposal during the period	(1,057)
Realised gain / (loss) on disposal	(4)
Movement in market value	4,341
At 31 December 2016	**36,086**

The available for sale investments splits are as below:	
Non-current assets - listed	**19,960**
Non-current assets – unlisted	**9,598**
Current assets – listed	**5,731**
Current assets – unlisted	**797**
	36,086

Available-for-sale investments comprise investments in unlisted and listed securities (which are traded on regulated stock markets) and which are held by the Group as a mix of strategic and short term investments.

5. Events after the end of the reporting period

There are no events after the end of the reporting period to disclose.

6. Financial information

The financial information set out above does not constitute the Group's statutory accounts for the period ended 30 June 2016, but is derived from those accounts. Statutory accounts for the period have been delivered to the shareholders, and the auditors made an unqualified report thereon.

A copy of this interim financial report is available on the Company's website: www.poloresources.com

Corporate Information

Registered number	1406187 registered in British Virgin Islands
Directors	Datuk Michael Tang – Executive Chairman Gary Lye – Non-Executive Director Kian Meng Cheah – Non-Executive Director
Registered Office	Craigmuir Chambers Road Town, Tortola British Virgin Islands VG 1110 Email: info@poloresources.com Website: www.poloresources.com
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Nominated Advisor	ZAI Corporate Finance Ltd Staple Court, 11 Staple inn London Wc1V 7QH, United Kingdom
Broker	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY, United Kingdom
Principal Banker	HSBC Bank Plc Fenton House, 85-89 New London Road Chelmsford, ESSEX CM2 0PP, United Kingdom
Registrars	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier Jersey JE1 1ES, Channel Islands
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