Polo Resources

Diversified Portfolio

AIM: POL
www.poloresources.com

Annual Report and Accounts
For the year ended 30 June 2019

Corporate Directory

Registered Number
1406187

Registered Office
Craigmuir Chambers
Road Town
Tortola VG 1110
British Virgin Islands

Nominated Adviser and Broker
Allenby Capital Limited
5 St. Helen's Place
London EC3A 6AB
United Kingdom

Solicitors to the Company as to BVI Law
Harney Westwood & Riegels LLP
Third Floor
7 Ludgate Broadway
London EC4V 6DX
United Kingdom

Walkers Chambers
171 Main Street
PO Box 92, Road Town
Tortola VG1110
British Virgin Islands

Solicitors to the Company as to UK Law
Dentons UKMEA LLP
One Fleet Place
London EC4M 7WS
United Kingdom

Solicitors to the Company as to Australian Law
Hunt & Humphry
15 Colin Street
West Perth
Western Australia, 6005

Auditors
Chapman Davis LLP
2 Chapel Court
London SE1 1HH
United Kingdom

Principal Banker
Barclays Bank PLC
Barclays House
Victoria Street
Douglas
Isle of Man, IM99 1AJ

Contents

Investing Policy

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.

In addition, where the Company realises value from its existing portfolio of direct and indirect investments in natural resources, businesses involved in supporting, processing, related and downstream activities, it may reinvest the proceeds of these realisations in direct and indirect investments in undertakings related to natural resources and businesses involved in supporting, processing, related and downstream activities in any geographical jurisdiction.

Investments may be made in companies, partnerships, joint ventures and all types of assets including unlisted and listed equities, securities, commodities, bonds, debt instruments, royalties, options, warrants, futures and derivatives. For the purposes of efficient portfolio management, the Company may enter into hedging and foreign currency transactions. The investments may be funded wholly by cash, the issue of new shares, debt or other securities, or a mix thereof.

There will be no maximum or minimum limit on percentage of ownership or on the length of time that any investment may be held. The Company may take legal or management control of a company, partnership or joint venture from time to time though the Company does not intend thereby to become a trading entity. The Company may invest in other investment funds or vehicles, including any managed by Directors or companies associated with them, where such investment would be complementary to the Company's investing policy. There will be no fixed limits on the allocation between unlisted and listed equities or other securities, cash and/or debt. There is no limit on the number of investments which the Company may make, nor the proportion of the Company's gross assets that any investment may represent at any time. Cash held by the Company pending investment, reinvestment or distribution will be managed by the Directors as they deem appropriate.

The Directors may propose a special dividend or implement share buy-backs from time to time but the objective will be to achieve returns to shareholders through the appreciation in the value of the Company's shares rather than by means of distribution. There is no fixed term for the life of the Company.

Any change in the investing policy will only be made in accordance with the AIM Rules.

Chairman's Statement

Although several investment opportunities were examined during the period under review, the Polo Board has taken the decision to focus on supporting our current investee companies. This was deemed to be a prudent approach given the lack of suitable investment opportunities and the erratic behaviour of commodity prices driven by a world economy that was suffering the impact of the on-going US-China trade war. Whilst talks aimed at resolving the trade war seem to have recently been successful and it now appears a trade agreement between the US and China has been reached, the Polo Board remains particularly cautious in assessing new investment opportunities, until such time global markets have settled, the impact of the US and China trade deal has stabilised and tariff rates on commodities become certain.

During our reporting period we have seen three of our investee companies Hibiscus Petroleum Berhad, GCM Resources Plc and Celamin Holdings Limited make significant value accretive progress, which we consider will be able to make positive growth contributions to the net asset value of our investment portfolio as we move forward. However, whilst we have seen success in one area of our portfolio, we have seen our portfolio impaired by the falling into administration of Weatherly International Plc, difficulties in recovering debt in regards to Nimini Holdings Limited and the difficulties Blackham Resources Limited has been experiencing as it attempts to expand its gold production and reduce its AISC (all-in sustaining cost).

Portfolio Overview

Hibiscus Petroleum Berhad ("Hibiscus")

Hibiscus is Malaysia's first listed independent oil and gas exploration and production company. The company's significant cashflow and profitability is based on 50% ownership of the Anasuria Cluster of producing wells in the U.K North Sea ("Anasuria") and its 50% participating interest in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract ("North Sabah PSC"). It's excellent track record as operator for these production joint-ventures is reflected in it receiving safety performance awards for both Anasuria and North Sabah PSC. The company also received the award for "Highest returns to shareholders over three years" at the Edge Billion Ringgit Club Corporate Awards 2019.

Careful management of costs to maintain low operational expenditure and the delivery of production enhancement projects have been key towards obtaining a low unit production cost structure. In addition, the company continues to operate debt-free.

The company continues to operate debt-free with its activities and acquisitions to-date funded through a combination of equity and internally generated funds. It has been foreshadowed that in the near future it shall undertake further fundraising activities to ensure smooth execution of projects and opportunities aimed at further enhancing production and value.

Summary of Activities

Significant activities in the 2018-19 period included: i) Completion of the acquisition of a 50% participating interest in North Sabah PSC and assumption of operating responsibility; ii) Technical work at Anasuria increased the volume of reserves, and the company signed deals for a side–track well and a water injection well both aimed at maximising recovery; iii) The acquisition of 50% participating interest in the Marigold and

Sunflower Blocks also located in the U.K North Sea. These blocks are discovered fields which the company aims to bring to First Oil by 2023 and describes as a "game-changer" and iv) Post the reporting period, the acquisition of 100% interest in Blocks 15/18d and 15/19b also located in the North Sea. The blocks include the Crown Discovery which consists of 2C contingent resources that range between 4 to 8 million barrels of oil, subject to an independent 3rd party expert assessment.

Exploration - Australia
Hibiscus operates the VIC/L31 production licence and VIC/P57 exploration licence in Australia's Bass Strait. The company has also recently exercised an option to acquire non-operated interests in the VIC/P74 exploration licence in the same area. With the West Seahorse discovered oilfield within the VIC/L31 production licence and exciting exploration opportunities in these licences, Australia holds significant potential for Hibiscus' future development plans.

Financial Performance
Hibiscus' financial performance was bolstered by having its first full year contribution from the North Sabah PSC asset and higher overall production from Anasuria. For the financial year ended 30 June 2019 ("FY2019"), revenue was RM988.3 million (USD236.86 million), representing an increase of 151% compared to that achieved in FY2018. Net cash generated from operating activities in FY2019 was RM496.1 million (USD118.9 million) and Profit after taxation ("PAT") was RM230.0 million (USD 55 million), up 13%.

Despite volatility in the price of crude oil which fluctuated between a high of USD86.29 per barrel to a low of USD50.47 per barrel, Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") for FY2019 surged to RM549.4 million (USD142.45 million), an increase of 64% when compared to that for FY2018. This was underpinned by the sale of some 3.3 MMbbls of crude oil across both assets against a production target of between 2.7 and 3.0 MMbbls. It is noted that recent capital expenditure projects not only successfully led to increased production, but also improved geological and reservoir understanding.

Post the reporting period, the quarterly financial results for the period ended 30 September 2019 ("Q1 FY2020"), showed a revenue and PAT of RM159.3 million (USD38.21 million) and RM16.2 million (USD3.89 million) respectively, from the sale of 0.6 MMbbls of oil. EBITDA for the period was RM77.1m (USD18.49 million) with a strong EBITDA margin of 48.4%. Overall, despite a softer oil market and the effects of higher maintenance activities in the quarter, Hibiscus remained profitable.

Hibiscus remains debt-free, and its unrestricted cash balance was RM179.4m (USD43.03m) as at 30 September 2019.

GCM Resources Plc ("GCM")

GCM is on track to provide the cheapest long-term large-scale coal-fired electricity supply in Bangladesh and the country's position regarding coal-fired power was reinforced recently by the Bangladesh Government Power Secretary in an interview with the Thomson Reuters Foundation. He stated that Bangladesh's economy is growing fast and it needs energy and that they had no choice but to utilise coal for power generation.

The Phulbari coal mine's Scheme of Development remains a key driver, however, the ultimate deliverable requires the mine being captive to 6,000 MW of state-of-the-art highly energy efficient Ultra-Supercritical power plants ("the Project"). The mine's viability would then become dependent on coal supply agreements with these power plants and vice-versa, the power plants' viability is linked to the success of the coal mining operation. GCM already has in place strict environmental management plans for the planned mining operation, and has stated it will ensure these power plants also operate to the highest possible environmental standards and in particular that they will avail of leading-edge flue gas cleaning systems to protect air quality and cooling systems that minimise water consumption.

GCM had previously reported signing a Joint Development Framework Agreement and Contract Framework Agreement with China Gezhouba Group International Engineering Co Limited ("CGGC") for constructing of one of the required three power plant phases (each being 2,000MW mine-mouth power generation) to be implemented over a ten-year period matching the mine's coal production ramp-up to 15 mtpa name-plate production.

During the reporting year GCM addressed the shortfall in power generation necessary to underpin the captive coal mine's viability by entering into Joint Venture Agreements ("JVA's") with Power Construction Corporation of China Ltd ("PowerChina"), another China state-owned key enterprise that is a world-renowned megacorporation spanning engineering construction and power generation.

The JVA's were the culmination of a Project site visit with senior PowerChina officials, their completion of a prefeasibility study and due diligence for 4,000MW mine-mouth power generation. Working under the JVA's GCM and PowerChina have prepared the detailed proposals for the 4,000MW Phases I and II power plants, complete with a competitive power tariff.

In order to complete its proposal for the Government of Bangladesh the company is also seeking to bring in a strategic mine development partner. To this end in July 2019, post the reporting period, GCM signed an MOU with both China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. ("NFC") and PowerChina focussed on the mine development. NFC are in the process of completing their due diligence studies. Once these studies are completed, the parties will move to firm up the business relationship and submit the comprehensive captive coal mine and power plants proposal to the Government.

The arrangements with PowerChina also carry an obligation to facilitate the inclusion of the Project in the One Belt, One Road Initiative of the People's Republic of China, and assist with financing the power plants.

Celamin Holdings Limited ("Celamin")

Formerly known as Celamin Holdings NL
Celamin's goal is development of Chaketma Phosphate Project ("Chaketma") in Tunisia and exploration and evaluation work on the newly granted Djebba and Zeflana zinc permits, also in Tunisia. However, the company's principal activity this financial year has been legal action against joint venture partner TMS to recover its shareholding in the joint venture company CPSA and to establish long-term ownership and control of CPSA.

On 5 April 2019 the Court of Appeal in Tunisia made orders in favour of Celamin enforcing the International Arbitration Final Award ordering TMS to return Celamin's 51% interest in CPSA and pay damages and costs plus interest. TMS' appeal against this decision was rejected by the Tunisian Court of Cassation, refer to the company's announcement of 23 September 2019 which also noted damages amounted to circa USD4.4 million.

There are no further legal avenues available to TMS to otherwise delay the return of the company's interest in Chaketma or payment of damages. The company has initiated measures to ensure compliance with the court orders, including a move to seize TMS assets, and is hopeful the process will also result in it securing 100% of Chaketma.

The company has subsequently recommenced discussions with contractors aimed at completing the Chaketma Definitive Feasibility Study encompassing a Stage 1: Rock Phosphate Concentrate Production and a Stage 2: Integrated Fertilizer/Phosphoric Acid Project.

PRISM Diversified Ltd ("PRISM")

PRISM Diversified Ltd. ("PRISM"), formerly Ironstone Resources Ltd., is a private Canadian corporation positioning itself to become a leading, vertically integrated supplier of specialty metals and metallic powders used in many fast growing high-tech and industrial manufacturing applications. PRISM is expected to enter the market by offering competitive pricing due to very low energy costs in Alberta where the company operates – an unrivalled advantage.

PRISM's initial range of products will include atomised iron powders, carbonyl iron powders, and vanadium pentoxide that all command high market value and strong global demand. These metal powders are used in a growing number of high-tech applications, such as additive manufacturing (3D printing), battery manufacturing, powder metallurgy, water treatments, and as high-purity iron inputs in pharmaceutical and food industry,

The main asset of the company is its Clear Hills Iron/Vanadium Project, located in northwest Alberta and advantageously close to major infrastructure and population centres. Clear Hills holds an indicated resource of 557 million tonnes of iron, (with an average grade of 33% of iron) and 2.45 million pounds of contained vanadium (as vanadium pentoxide), with a further inferred resource of 96 million tonnes of iron, with an average grade of 33% (Source: NI43-101 Report, SRK Consulting, July 2012). In addition to iron and vanadium, the ore is known to contain cobalt and gold. PRISM's poly-metallic resource has the potential to supply its industrial materials for many decades.

PRISM's land tenure, an asset in itself, exceeds 1.91 million acres (7,763 sq km) of mineral permits and leases, the largest metallic and mineral land holding in Alberta.

Funding arrangements

PRISM is currently looking to raise approximately CAD3.5 million (USD2.63 million) to complete its PFS/BFS Studies in 2020 BFS for Iron Carbonyl Powder (ICP) production with an aim of commercial production commencing early 2022.

Blackham Resources Limited ("Blackham")

The Wiluna Gold Operation ("Operation") is located in Australia's largest gold belt which stretches from Norseman in the south through Kalgoorlie and Leinster to Wiluna in the north. The company is currently transitioning to a low capex, low risk sulphide mining and tailings treatment operation targeting 100koz-120koz per annum production. It is also focused on a debt reduction and balance sheet enhancement program.

During the year, Blackham experienced a number of challenges. Gold production in the second half of FY2019 was weak and impacted by: lower than required total mining movements and an inability to maintain high grade stockpiles; lower metallurgical recoveries due to processing partially refractory transitional ores; and significant concurrent investment in Matilda and Wiluna open pits.

Gold production during the year was 65,406oz and gold sold was 64,919oz at AUD1,656/oz, however, the AISC was AUD1,760/oz. There were forward gold sales contracts in place at 30 June 2019 for 18,500oz of at an average price of AUD1,805/oz, maturing by calendar year end.

During the year, the company faced a number of funding challenges but received strong support from its key stakeholders.

On 12 September 2019, Blackham announced a capital raising of up to AUD7 million (before costs) that will provide funding for key mine development work programs that will underpin Blackham's FY2020 production. Blackham also received AUD2.8 million cash in January 2019 from the sale of 20% interest in the Wiluna Cobalt-Nickel Project.

On 8 October 2019, the Lake Way Transaction completed with Blackham receiving AUD7 million cash and up to a further AUD10 million contribution to be received towards Williamson open pit pre-production mining activities, see announcement dated 8 October 2019. An initial non-refundable deposit of AUD3 million was received in July 2019.

Results

At the end of FY2019, the company had AUD4.2 million in cash and bullion.

Net debt was AUD11.8 million comprised of the loan payable to MACA AUD10.3 million, Lind Convertible Security AUD5.3 million and leases AUD0.4 million.

The loss after tax was AUD73.161 million. The FY2019 result included asset impairment charges of AUD45 million, which also broadly brings the book value of assets back into line with Blackham's market capitalisation. Blackham's net assets at the end of FY2019 were AUD62.177 million.

Blackham's production guidance for FY2020 is 70k-80koz at an AISC of AUD1,550-AUD1,750/oz and will be focused on free milling ore bodies prior to Blackham transitioning to Stage 1 of its Sulphide Expansion Project, which is planned to commence production during FY2021. Based on Blackham's September 2019 Quarterly and October 2019 results turnaround it seems the company is well on the way to achieving its FY2020 targets.

For the September 2019 Quarter, gold production was 17,565oz at ASIC AUD1,519/oz with the September monthly production being 7,220oz at ASIC AUD1,025/oz and the October monthly production 7,611oz at ASIC AUD1,266/oz.

Weatherly International Plc (“Weatherly”) (In Administration)

Weatherly has a diverse portfolio of base metal production and development assets with multiple low capital spend growth opportunities. These include the Tschudi Mine, the Otjihase and Matchless mines (together, “Central Operations”) and the Berg Aukas project in Namibia.

In April 2018, Weatherly announced that it had retained advisers to evaluate strategic options for the company following operational challenges at its key asset, the Tschudi open pit copper mine, in Namibia. High groundwater inflow rates encountered in the open pit far exceeded the worst case scenarios foreseen within the Bankable Feasibility Study.

On 26 April 2018, Weatherly announced that it had engaged Numis Securities Limited ("Numis") and Treadstone Resource Partners ("Treadstone") as its financial advisers to lead a review of strategic alternatives for the company and its assets where all opportunities for maximising shareholder value would be considered (the "Strategic Review").

On 1 June 2018, Weatherly announced that as a result of this material uncertainty, Orion Mine Finance (Master) Fund I LP (“Orion”) had confirmed they were unlikely to permit further drawdowns under the existing uncommitted loan facility with Orion. Weatherly’s Directors considered that no further reliance could be placed on Orion supporting the company financially and therefore sought to temporarily suspend the company’s shares from trading on AIM and seek advice in relation to administration. Subsequently, on the same day, the company announced the appointment of Simon Kirkhope and Andrew Johnson of FTI Consulting LLP as administrators to the company.

Following the appointment of the Administrators and the subsidiary board changes, the position of the Tschudi mine stabilised and the Administrators extended the Numis and Treadstone engagement to act as Merger and Acquisition Advisers (“M&A Advisers”) to recommence the sales process effective 24 September 2018. Despite over 90 parties being contacted and a number of indicative offers received, no sale was forthcoming and arrangements with Numis and Treadstone ceased in December 2018.

It is understood further expressions of interest have been received for both share sales and asset sales via direct third-party introductions. However, at this time it is not clear whether a potential transaction will be structured as a business and assets sale or the sale of the shares of OML – the subsidiary that owns and operates the Tschudi mine.

Nimini Holdings Limited (“Nimini”) (Gold, Sierra Leone)

Polo’s Annual Report 2018 explained that despite the considerable lobbying efforts by our in-country representative who is a Director of our local subsidiary Nimini Mining Limited, the Nimini Project’s mining licence was cancelled at the end of August 2018. Polo remains disappointed by the Government of Sierra Leone’s action in cancelling the mining licence and has written to the President and the Minister of Mines and Mineral Resources (“MoM”) appealing for the decision to be reversed. Polo has also suspended any further expenditure on the Project. Nimini Holdings Ltd and its Sierra Leone subsidiaries have since been dissolved during 2018-19.

In the meantime, following the termination of the Operator Agreement with our joint venture partner Plinian and under the terms and conditions of this agreement and other supplementary agreements Polo is pursuing recovery of a loan amounting to USD4,182,717.28 (with interest calculated to 22 July 2019) from Plinian Guernsey Limited (“Plinian Guernsey”), a company owned by Plinian Capital Limited (“Plinian Capital”) and both controlled by Bradford A. Mills.

Efforts by the Company to recover this outstanding loan including demand letters from Polo and the Company’s lawyers to the principals of Plinian Capital and Plinian Guernsey have been futile.

Polo was notified that the “sole shareholder” of Plinian Guernsey had voluntarily put Plinian Guernsey in liquidation and that as an identified “potential stakeholder”, Polo was invited to provide “proof of debt owed”. Polo has responded to the joint voluntary liquidators as well as informed them that, as noted in an RNS made by West African Minerals Corporation on 11 February 2016, Plinian Guernsey had transferred its assets to Plinian Capital, which in Polo's view may otherwise have been used to repay sums outstanding under agreements with Polo.

The directors of Polo have, in the interest of prudence, provided a full impairment against the recoverability of the outstanding loan.

Details of the agreements with Plinian were contained in a Polo RNS on 22 March 2012 entitled “Appointment of Plinian Capital Limited as Operator of Nimini Gold Project - Plinian Acquires 10 per cent Interest for USD2.5 million”. Amongst others, Polo announced that it had provided Plinian Guernsey a loan amounting to USD2.5 million, accruing interest at 3% above LIBOR per annum, and that Plinian Capital was appointed operator of the project.

While Polo views the actions of Plinian as an intentional manoeuvre to evade liability, the door remains open to negotiating a settlement pending the preparation to commence court proceedings against Plinian Guernsey and its principals to pursue the recovery of the outstanding sums on behalf of its shareholders.

Universal Coal Resources Pte Ltd (“Universal”)

In May 2016, Polo’s subsidiary, PIL, entered into a secured SGD5 million (USD3.79 million) nominal value 15% redeemable convertible note (“Note”) with Universal Coal Resources Pte Ltd (“Universal”).

Universal is incorporated in Singapore and itself had entered into a conditional agreement to acquire an indirect 75% interest in PT Transcoal Minergy Coal Project (“TCM”), a company incorporated in Indonesia, from a Pan Asia Corporation Ltd. (ASX: PZC) subsidiary.

The company failed to list on the Singapore Stock Exchange and is now considering other areas of asset realisation, including repayment of the loan note by way of asset transfers. Efforts are continuing to resolve the matter.

Polo's current portfolio includes:

Petroleum assets
- Hibiscus Petroleum Limited (8.75%)
- Regalis Petroleum Limited (12.66%)

Coal and power assets
- GCM Resources Plc (17.74%)
- Universal Coal Resources Pte Ltd (redeemable convertible note)

Phosphate asset
- Celamin Holdings Limited (18.55%)

Lithium, iron and vanadium
- PRISM Diversified Limited (19.13%)

Gold assets
- Blackham Resources Limited (0.47%) (diluted following a rights issue)

Copper asset
- Weatherly International Plc (5.2%)

Various liquid short-term investments.

Equity Market Outlook

Heading into 2020, there will be both macro and micro value catalysts that will impact on Polo. Firstly, the conclusion of US-China trade talks is likely to feature as a positive development by investors that should filter down into creating positive market sentiment and thus lifting stock market valuations across the board. Polo hopes to benefit from improving investor sentiment trade talk agreements are set to deliver. However, being listed on the London market, Polo is also exposed to the economic events related to the U.K departure from the European Union and to date we are still unsure as to the outcome of BREXIT and the impact good or bad it is likely to have on both investment in the U.K and across the U.K equity market. The combination of these two macro-economic events to date still remains unclear and only serves to fuel uncertainty. During the reporting period we saw our equity price rise to 4.8p in February 2019 as the market picked up on the significance of the joint venture news announced by GCM. Overall, we have seen a modest gain of 4.6% in our equity price during the reporting period.

Commodity Exposure and Value Catalysts:

Oil
In terms of commodity exposure, we now consider Polo's net asset value to be largely driven by the oil price and the impact that will have on Hibiscus earnings moving forward. For the period under review the price of oil (Brent Crude) has averaged circa USD62 a barrel and we see known market factors that could serve to hinder this price stability moving forward.

Lithium, Iron, Vanadium and Precious Metals
We hold a 19.5% interest in Prism which gives Polo access to the electric vehicles metals market. Prism's Clear Hills (NI 43-101 compliant) and Peace River Arch projects, located in Alberta Canada, have high concentrations of lithium in underlying carbonate reservoirs. Lithium hydroxide, battery grade, CIF China, Japan and Korea prices have been dampened over the last 12 months from highs of USD21.00 per kg to USD12.00 per kg. Industry commentators believe the lithium market has now bottomed out and a recovery should begin to take place during 2020. Naturally the uptake of electric vehicles and off grid energy storage and electronics are key drivers for lithium. We see the desire by all governments to lower greenhouse gas emissions to be a geopolitical and policy factor that heading into the next ten years should see a transformational level of demand for lithium where Polo via our investment in Prism offers shareholders good exposure to this important metal.

Iron Ore
Also, through our investment in Prism, Polo has investment exposure to iron ore. The iron ore price hit USD120 a tonne in July 2019 but has since come off to USD88 a tonne. Once again, we see the result of trade talks between the US and China as being a catalyst to global economic growth where steel production can be considered a barometer by which to measure the health of the global economy.

Gold, Zinc and Phosphate
We have through Blackham minor exposure to the gold price which during the period traded above USD1,500 an ounce. Polo also has through our investment in Celamin, exposure to the zinc market. There is widespread consensus that we are in the midst of a tightening of the market for Zinc, which has seen the price rise to USD3,000 a metric tonne and moving into 2020 the price of zinc is trading at over USD2,000 a metric tonne. Celamin also gives Polo access to Phosphate. Rock phosphate prices improved during the back end of 2018, with prices reaching just over USD100 a metric tonne but have since come off to circa USD77 a metric tonne in what has been a market that has seen quite a steep decline in pricing during 2019.

Summary

The year under review is largely one that has been characterised by the significant progress Hibiscus, GCM and Celamin have made on various operational and corporate fronts. The Polo board believes that the past reporting period has been one where strong value creating foundations have been made which places the Company's growth stronger for 2020 where we see work undertaken across our portfolio delivering a number of positive outcomes for value creation on a micro front and we hope that can be matched and complimented by events on a macro front.

To conclude, I would like to take this opportunity to thank all our shareholders and partners for their continued support.

Datuk Michael Tang, PJN
Executive Chairman
19 December 2019

Investment Update

Oil and Gas

Hibiscus Petroleum Berhad (HIBI: MK)

- Oil and Gas, United Kingdom and Australia
- 8.75% equity interest

Hibiscus Petroleum has activities in the following principal areas:

1. Anasuria Hibiscus: Hibiscus Petroleum's investments and operations in the U.K, consisting of (i) the Anasuria Cluster, a producing asset, and (ii) Marigold and Sunflower fields, a development asset, both located offshore in the United Kingdom Continental Shelf ("UKCS").

   Anasuria Cluster: Hibiscus Petroleum's investment in 50% interest in the License No. P013 containing the Guillemot A, Teal and Teal South producing fields, 19.3% participating interests in the License No. P185 containing the Cook producing field, 50% interest in the Anasuria Floating, Production, Storage and Offloading vessel ("FPSO"). and 50% interest in the Anasuria Operating Company Limited ("AOCL"). The company jointly operates the producing fields under License No.P013 and the Anasuria FPSO via AOCL.

   Marigold and Sunflower fields: Hibiscus Petroleum's investment in 50% interest in two blocks under License No. P198; (i) Block 15/13a, containing the Marigold discovered oilfield, and (ii) Block 15/13b, containing the Sunflower discovered oilfield. This includes the management of operations to develop these fields towards production.

   Crown: Hibiscus Petroleum's investment in 100% interest in 100% interest in Blocks 15/18d and 15/19b (Licence P2366), also in the North Sea, in close proximity to the Marigold and Sunflower, and includes the Crown discovered field.

2. North Sabah: Hibiscus Petroleum's investment in 50% participating interests in the 2011 North Sabah EOR PSC, which includes the management of operations relating to the production of petroleum from four existing oil fields, namely St Joseph, South Furious, SF30 and Barton and existing pipeline infrastructure, the Labuan Crude Oil Terminal ("LCOT"), and all other equipment and assets relating to the PSC.

3. VICL/31, VICP/57, 3D Oil: Hibiscus Petroleum's operations in the production licence VIC/L31 for the West Seahorse field and other exploration prospects in Australia within exploration permit VIC/P57, and investment in 3D Oil.

Sales and Customers

In FY2019, the fields operated or jointly-operated by Hibiscus produced a combined total of approximately 20.2 MMbbl of gross liquids (oil and water). Of this, the total amount of oil produced net to Hibiscus was approximately 2.9 MMbbl of oil. The company's goal in FY2019 was to sell 2.7 to 3.0 MMbbl of oil from its two producing assets. The company exceeded this target and have sold approximately 3.3 MMbbl of crude oil across both producing assets, with seven offtakes originating from the North Sabah PSC, and a further five offtakes coming from the Anasuria Cluster.

For the Anasuria Cluster, Hibiscus sells its crude oil in cargoes of approximately 250,000 bbl net to Hibiscus from the Anasuria FPSO facility. AOCL has appointed BP Oil International Limited ("BPOI") to lift its cargoes and to market them to refineries in the region. The parent organisation of BPOI is BP, a global energy company. To date, BPOI has successfully marketed all the company's cargoes at competitive prices.

In the North Sabah PSC, oil is lifted from the LCOT, and is sold in parcels of approximately 300,000 bbl directly to the Trafigura Group, a large global commodities trader.

Hibiscus is pleased with both its oil trading arrangements in the North Sabah PSC and Anasuria Cluster. The company's counter-parties are reputable and have a large pool of clients. Working with major global players also ensures transparency and allows the company to gradually develop business relationships with some of the largest oil trading organisations.

The company's operated offshore fields deliver oil, gas and water from offshore reservoirs, which are then separated using its on-site processing facilities. For Anasuria, this is performed at the FPSO whilst this is performed at the LCOT for North Sabah. In the Anasuria field, produced gas is used as fuel gas for the company's machinery supporting operations, for gas lift operations to enhance production and the remaining volume is exported via pipelines to the U.K mainland and sold as one of the cleaner sources of primary energy. In Malaysia, most of the produced gas from the North Sabah fields is reinjected back into the various reservoirs as part of pressure maintenance or gas lift operations. The remaining volumes are used as fuel gas with minimal volumes flared. Water produced from these fields is treated to reduce the oil-in-water content. The treated water is subsequently released into the sea.

The company's drilling programme on the Anasuria and North Sabah assets is providing a firm foundation to increase production momentum. Hibiscus is targeting a combined net production of 12,000 bbl/day for both assets by end of 2020 as it strives towards its goal of achieving 20,000 bbl/day

Figure 1: Production Enhancement Projects in Anasuria

Project	Project Description	Status	Actual Completion
GUA-P2 Side-Track	Re-enter the existing GUA-P2 well to side-track the wellbore to unlock additional volumes of oil	Completed	Sept 2018
GUA-P1 Side-Track	Re-enter the existing GUA-P1 well to side-track the wellbore to unlock additional volumes of oil	Completed	Aug 2019
Cook Water Injection	Drill 1 water injection well in the Cook field for reservoir re-pressurisation and install water injection pipeline to the Anasuria FPSO	Completed	Oct 2019

as part of its 2021 Mission. Hibiscus has also commenced the evaluation of development options for the Marigold and Sunflower oilfields which have the potential to significantly raise future production.

Hibiscus will consider entering into an appropriate hedging programme after carefully assessing prevailing market conditions.

Anasuria Cluster
The Anasuria Cluster delivers production that generates positive cashflow with future infield development opportunities and exploration upside.

The average uptime in FY2019 increased by 12% compared to FY2018. This is primarily due to a 30-day planned offshore turnaround of the Anasuria FPSO conducted between September and October 2017 (2017 Offshore Turnaround). That activity directly contributed to a lower average uptime in FY2018 but may have also indirectly resulted in improved performance of the offshore facilities in the subsequent months.

The average daily oil equivalent production rate in FY2019 increased by 15% when compared to FY2018. This is a result of higher average uptime as well as the incremental oil and gas production from the GUA-P2 Side-Track well that was completed in September 2018. As a result, the average OPEX/boe reduced by 22% to USD18/boe in FY2019 compared to FY2018.

In FY2019, the Anasuria Hibiscus operating segment recorded an EBITDA of RM281.3 million (USD67.42 million), or 71% margin over revenue, compared to EBITDA of RM107.4 million (USD25.7 million) (52% margin over revenue) in FY2018. There were five crude oil offtakes in FY2019, with a total of 1,349,170 bbl sold at an average realised oil price of USD66.60/bbl. Revenue attained was RM396.3 million (USD94.98 million). In FY2018, 791,822 bbl were sold in three offtakes at an average oil price of USD60.11/bbl, resulting in a revenue of RM207.4 million (USD49.71 million). The higher revenue and improved operational performance in FY2019 were the main drivers for the EBITDA level to improve by 162% in FY2019 compared to FY2018.

After acquiring the assets, the Anasuria technical team has been focusing on understanding the asset and have been working towards improving daily operational performance and identifying a portfolio of viable production enhancement projects and gradually executing them safely in a manner that is disciplined from a capital allocation perspective.

Anasuria Reserves Upgrade
Hibiscus commissioned LEAP Energy to undertake an independent evaluation of in-place and recoverable hydrocarbons in the Anasuria Cluster attributable to Anasuria Hibiscus. In a report dated 23 August 2018, LEAP Energy stated that, based on their evaluation, the 2P Reserves net to AHUK have increased to 24.4 MMbbls as of 1 July 2018.

This estimate by LEAP Energy represents a net 4.2 MMbbls or 20.8% increase in 2P Reserves when compared to the 20.2 MMbbls forecasted by RPS Energy as of 1 March 2016. Given that Anasuria Hibiscus' production in the interim period between 1 March 2016 and 1 July 2018 was approximately 2.5 MMbbls of oil, then the net addition to the company's 2P Reserves since the acquisition of its participating interest in the Anasuria Cluster is 6.7 MMbbls. The reserves upgrade by an independent expert demonstrates that the company's efforts to extend the life of the Anasuria Cluster and unlock value from its assets.

North Sabah PSC
FY2019 represents the first full financial year of the company's operatorship of the North Sabah PSC. As operator, SEA Hibiscus is responsible for the day-to-day operations, maintenance, and conduct of production enhancement activities carried out on the asset.

The average uptime and net oil production rate in FY2019 reduced by 2% and 12%, respectively, when compared to FY2018. A key operational activity in FY2019 was a planned offshore maintenance campaign, which was mostly carried out from October to December 2018 (Q2 FY2019). During this period, various facilities were required to be shut down for inspection and maintenance work, thus impacting the uptime and production metrics for the year.

Despite this decline, the average operating expenditure per bbl (OPEX/bbl), or unit production cost, for the North Sabah PSC of USD14.6/bbl in FY2019 is fairly consistent with the USD13.5/bbl achieved in FY2018.

In FY2019, the segment recorded a revenue of RM586.8 million (USD140.63 million) from seven crude oil offtakes. A total of 1,958,150 bbl of crude oil were sold, at an average realised oil price of USD72.81/bbl. In FY2018, from the Completion Date (31 March 2018) to 30 June 2018, two crude oil offtakes were sold at an average realised oil price of USD73.26/bbl, which contributed to a revenue of RM181.9 million (USD43.60 million).

The sale of the seven cargoes at a relatively high average realised oil price was the main driver for the segment recording an EBITDA of RM294.6 million (USD70.60 million) and EBITDA margin over revenue of 50% in FY2019.

Figure 2: Production Enhancement Projects in the North Sabah PSC in 2019

Project	Project Description	Status	Actual Completion
St Joseph Infill Drilling	Drill 3 infill oil producing wells	Completed	Aug 2019
SF30 Infill Drilling	Drill 3 infill oil producing wells	Execution commenced in Aug 2019	Nov 2019
SF30 Water Flood Phase 1	Drill 1 water injection well for reservoir re-pressurisation	Execution expected to start in Nov 2019	Dec 2019

Reserves and Contingent Resources Assessment

The North Sabah PSC constitutes Hibiscus' second producing asset, providing the company with another revenue stream after the Anasuria Cluster. It has enabled Hibiscus to strengthen its technical and operating capabilities, profitability and balance sheet. The acquisition of this asset is part of the company's strategy to grow shareholder value by focusing on unlocking potential from mature, late-life oil and gas fields.

In January 2019, Hibiscus announced a summary of the reserves and contingent resources prepared by RISC in respect of the North Sabah Fields.

SEA Hibiscus had on 1 November 2018, appointed RISC to undertake an independent audit and provide an assessment of the reserves and contingent resources within the North Sabah Fields.

As of 31 December 2018, the 2P Reserves and the gross 2C Resources of oil in the North Sabah Fields were estimated to be 55.3 MMstb and 85.7 MMstb respectively. (On 12 October 2016, Hibiscus Petroleum had disclosed gross 2P Reserves and gross 2C Resources as of 1 January 2016 of 62 MMstb and 79 MMstb respectively, derived by independent technical valuer, RISC Operations Pty Ltd).

RISC is an independent oil and gas consultancy specialising in reserve and resource evaluation, field development and valuation, technical advice and due diligence. RISC has reviewed the reserves/ resources within the North Sabah Fields in accordance with the Society of Petroleum Engineers' internationally recognised Petroleum Resource Management System (SPE-PRMS), and applied economic cut-offs.

Hibiscus has recently embarked on a series of production enhancement projects that have been identified to realise the considerable potential within the North Sabah PSC fields.

Marigold and Sunflower fields

In October 2018 Hibiscus announced the acquisition of a 50% interest in Blocks 15/13a ("Marigold") and 15/13b ("Sunflower"), expanding its footprint in the UKCS. This acquisition of a development asset will allow the company to make a step change in scale as well as be a platform for Hibiscus to build internal technical and project management capability. Several project delivery milestones have been imposed on Hibiscus by the regulatory authorities in the U.K and the company is determined to positively progress this opportunity.

The gross resources for Blocks 15/13a and 15/13b have been classified by AGR in accordance with resource definitions presented in the Society of Petroleum Engineer's Petroleum Resources Management System. Based on AGR's gross estimates of the Blocks as of September 2018, the 2C oil resources of the Blocks net to Anasuria Hibiscus (50% participating interest) are 30.0 MMstb. Once a development plan is approved and successfully implemented, up to 30.0 MMstb of 2C may potentially be converted to 2P, which is expected to be added to Hibiscus portfolio, contributing to íts mission of achieving its 2021 mission of 100 MMbbls in proven and probable reserves.

Thirty-four development scenarios were studied to determine the optimum solution for development of the Marigold and Sunflower resources and select the concept that provided the best balance of cost, value and risk. The selected concept is to drill and complete subsea wells that are tied back to a FPSO via flexible flowlines and umbilicals. This concept provided the highest project value with the lowest execution and commercial risk. It will also facilitate a phased development approach to further mitigate project risks. The project is expected to proceed in two phases to mitigate subsurface uncertainties and minimise capital outlay required to achieve first oil production.

It is anticipated that in phase 1 of the development, three Marigold wells will be drilled, completed and tied back to the FPSO via a production manifold. Additional wells in Marigold, along with wells in the Sunflower discovered field and the recently acquired Crown discovered field (pending acquisition completion), could be developed in a second project phase. It is envisaged that wells in these fields will also be tied back to the FPSO.

In addition, there may be near field opportunities that could be monetised through an area-wide development.

Crown

Post the reporting period, on 12 December 2019, pursuant to the earlier disclosures made by Hibiscus on 17 July 2019 and 7 October 2019, the company announced that Anasuria Hibiscus had completed the acquisition of North Sea Blocks 15/18d and 15/19b ("License P2366" or "Blocks"), from United Oil & Gas PLC ("United") and Swift Exploration Limited ("Swift") (collectively referred to as "Sellers") for a total cash consideration of up to USD5 million.

Completion of the acquisition occurred pursuant to the receipt of approval from the United Kingdom's Oil and Gas Authority ("OGA") for the assignment of License P2366 to Anasuria Hibiscus from the Sellers and the appointment of AHUK as Exploration Operator on 4 December 2019. In accordance with the terms of the conditional Sale & Purchase Agreement executed on 7 October 2019 ("SPA"), a further USD0.9 million has been paid upon achieving completion of the acquisition.

The Blocks are located offshore in the United Kingdom sector of the North Sea, approximately 250km northeast of Aberdeen. The Blocks include the Crown Discovery which consists of 2C contingent resources that range between 4 to 8 million barrels of oil, subject to an independent 3rd party expert assessment. The Blocks are located 12km south-east of Marigold field, which together with the Sunflower field was acquired by Anasuria Hibiscus in October 2018.

United and Swift were awarded License P2366 as part of the OGA's 30th Licencing Round, in August 2018, and they each hold 95% and 5% participating interest respectively.

VIC/L31, VIC/P57 and VIC/P74, Australia
Hibiscus has interests in two licences located in the prolific oil and gas producing province of the Bass Strait of Australia. The company also has a 11.68% interest in 3D Oil Limited ("3D Oil"), a company listed on ASX. Through 3D Oil, Hibiscus has indirect exposure to two additional exploration licences.

A production license, VIC/L31, containing the West Seahorse field, was granted by the Australian authorities to Hibiscus for an indefinite period from 5 December 2013. Hibiscus is in the process of evaluating field development options with a view to recommencing field development activities once an economically viable development solution is identified. VIC/P57 is a joint arrangement which is in the exploration stage.

Post the reporting period, on 26 July 2019, Hibiscus announced that its associate company, 3D Oil, was awarded the VIC/P74 permit in the offshore Gippsland Basin by the National Offshore Petroleum Titles Administrator. The 1,006km^2 permit is located on the southern side of the Gippsland Basin. Hibiscus has exercised an option that was secured prior to the permit award, to farm-in to VIC/P74 by acquiring a 50% non-operated interest in the permit on a ground floor basis. The primary work programme ("First Exploration Phase"), which consists of the first three years since permit award, is the 1,006km^2 of recently reprocessed 3D seismic and geophysical and geological studies. The gross cost for the First Exploration Phase is estimated to be AUD1.2 million. During this phase, 3D Oil will remain as the operator.

On 20 August 2019, Hibiscus announced that a Dividend Policy had been established through which Hibiscus may issue dividend payments to reward shareholders for their continuous support. The Dividend Policy, which describes the company present intention and the various considerations that are required to declare any dividends, can be found on their website (https://www.hibiscuspetroleum.com/dividend policy/).

On 13 December 2019, Hibiscus' share price closed at MYR0.94 with a market capitalisation of USD359.13 million (MYR/USD = 0.24055).

Regalis Petroleum Limited
- Oil, Republic of Chad
- 12.66% equity interest

Polo's interest in the private and independent oil and gas company, Regalis Petroleum Limited ("Regalis") increased to 13.67% following an in-specie distribution by Polo's 42% 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 5,349 kilometre 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 USD14.8 million in the previous financial year on the carrying value of its investment in Regalis as no further progress has been made by Regalis in pursuing its exploration strategy.

Coal

GCM Resources Plc (AIM: GCM)
- Coal and Power Project, Bangladesh
- 17.74% equity interest

GCM Resources plc ("GCM") is now committed to a strategy of developing the Phulbari coal deposit as a captive large-scale open pit mining operation supporting 6,000MW of highly energy efficient Ultra-Supercritical power generation developed in three stages over a ten year period to suit the build-up in coal production to the nameplate 15 mtpa (collectively defines "the Project"). GCM's business model to deliver the Project primarily involves forming Joint Venture Agreements with various internationally renowned companies to assist with the necessary Government of Bangladesh approvals and assist with both financing and development of the coal mine and power plants. The business model also factors in consultants in both China and Bangladesh to provide crucial guidance and lobbying support.

Although the Phulbari coal mine's Scheme of Development submitted to the Government of Bangladesh in 2005 and still awaits approval, this document did not portray the mine as "captive" with an ultimate deliverable to the Government being 6,000MW of reliable, low-cost power. To this end the company's business model now views the Project as being four integrated "Business Units" being the captive coal mine and the three 2,000MW power projects that will be commissioned in line with the ramp-up to the nameplate 15 mtpa coal production. The coal mine's viability will be underpinned by the coal supply agreements with the three power projects. In turn the power projects' viability will be underpinned by the competitively priced and reliably supplied coal from the Phulbari coal mine.

While the Bangladesh Government remains committed to a rapid expansion of its energy sector, including the increase of coal-based power generation, GCM equally remains committed to delivery of the country's lowest coal-based power tariff at a production rate that will make a significant positive impact on Bangladesh's industrial development and competitiveness in international markets

While GCM began the last reporting year strengthening its relationship with CGGC and closing out with a Joint Development Framework Agreement for the initial 2,000MW Phase of mine-mouth power plant(s), this reporting year began with building a working relationship with PowerChina. GCM viewed PowerChina as the logical partner for development of the remaining 4,000MW necessary for viability of the planned Phulbari coal mine.

The company recognised the assistance by Dyani Corporation Limited and extended its consultancy agreement for the pursuit of additional international recognised partners for mine development and the additional power plants. These efforts resulted in GCM agreeing in September 2018 for PowerChina to undertake a prefeasibility study and other due diligence for the remaining 4,000MW mine-mouth power plants.

The success of the prefeasibility study resulted in GCM entering into a Joint Venture Agreement ("JVA") and a definitive Engineering, Procurement and Construction ("EPC") Contract with PowerChina in January 2019 for the next 2,000MW mine-mouth power plant (2x1,000MW units) phase. In March 2019, GCM entered into a second JVA with PowerChina for the final 2,000MW mine-mouth power plant phase, thus completing the 4,000MW PowerChina package and shoring up the 6,000MW required ensure the Project's viability.

Post the reporting year, GCM progressed with two further key success arrangements:

The first is an MOU signed in July 2019 with China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. ("NFC") and PowerChina aimed at forming a strategic partnership to jointly develop the company's proposed Phulbari coal mine. Under the terms of this arrangement NFC is undertaking due diligence, including a review of the mine plan and financial model, and the parties will Jointly pursue the necessary government approvals.

The second is a Consultancy Agreement signed In September 2019 with DG Infratech Pte Ltd, a Bangladeshi controlled company ("DGI"), whereby DGI will provide the company with advisory, management, lobbying and consultancy services for the Project's approval and development stages. DGI and its parent company have a solid record in developing large-scale engineering construction and power sector related projects in Bangladesh.

Funding arrangements
To finance its operations during the year, on 30 November 2018, GCM agreed an amendment to the short-term loan facility with Polo Resources Limited ("Polo") (the "Polo Loan Facility"). The Polo Loan Facility was increased by £1,200,000 to £2,300,000 and provides that the lender has the option to convert all or part of the balance of the Polo Loan Facility at a conversion price of 11 pence per share, subject to Polo's maximum holding not exceeding 30% of the company's enlarged share capital.

As at the date of this report, GCM had fully drawn down on the increased Polo Loan Facility and the company currently has approximately £315k in available cash resources. In addition the company has received a non-binding commitment from Polo, whereby Polo has confirmed its willingness to enter into an agreement to increase the Polo Loan Facility by an additional £1,200,000 from the end of January 2020 should alternative financing not be secured by then (the "Agreed Facility Increase") which, at the Group's current cash burn levels, would provide sufficient financing for at least the following 12 months.

On 13 December 2019, GCM's share price closed at GBP0.125 with a market capitalisation of USD16.28 million (GBP/USD = 1.32005).

Universal Coal Resources Pte Ltd
- Coal Project, Indonesia
- Redeemable convertible note

In May 2016, Polo's subsidiary, PIL, entered into a secured SGD5 million (USD3.79 million) nominal value 15% redeemable convertible note ("Note") with Universal Coal Resources Pte Ltd ("Universal").

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

Universal was targeting a Singapore Stock Exchange Catalist Board listing and the Note entitles Polo to convert the principal outstanding plus any accrued interest into not less than 20% of the share capital of Universal as enlarged by such a 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.

Pursuant to the terms of the Note, a key action for Universal was to obtain approval from Pan Asia's shareholders for the disposal of TCM to Universal within three 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, in parallel with PZC's endeavours to dispose TCM to an investor. PZC announced that it is progressing the potential cash sale of its interests in TCM and that Polo will be repaid from the proceeds of sale. The transaction is still subject to certain conditions precedent including due diligence, approval from PZC shareholders and any approvals required from regulatory and other bodies.

TCM Coal Project
TCM is the owner of a Production Operation Mining Business Licence for a mining concession in South Kalimantan Province, Indonesia. Their focus is the development of a two million tonnes 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.

Phosphate

Celamin Holdings NL (ASX: CNL)
- Phosphate, Tunisia
- 18.55% equity interest

Chaketma Phosphate Project
The Chaketma Phosphate Permit, operated by CPSA, is a potential large-scale phosphate development asset, which comprises six prospects over a total area of 56km^2. It hosts a total JORC compliant Inferred Resource of 130Mt @ 20.5% P_2O_5, confirmed from drilling at only two of the project's six prospects. It is located 210km by road south-west of Tunis and is just 35km from the nearest railhead and close to existing road and power infrastructure.

On 8 April 2019, Celamin published a presentation on ASX. The presentation includes the legal matters in relation to the fraudulent transfer to TMS of Celamin's 51% interest in CPSA. The presentation also includes the potential application of exciting new processing technology and also details regarding its Zinc and Lead prospects. The full details of the presentation can be found at: https://www.asx.com.au/asxpdf/20190408/pdf/44446yzcr9kc2b.pdf.

Following enforcement allowing Celamin to recover control of the Chaketma Phosphate Project Celamin plans to:

- Introduce an international partner to facilitate funding discussions;
- Commence a feasibility study to determine the viability of producing either rock phosphate or chemical fertiliser. Celamin is contemplating these development options all in the backdrop of a rising rock phosphate price.

Djebba Zinc-Lead Project, Tunisia – Historical Resource Estimate:
In July 2018 Celamin was granted two new exploration permits in Tunisia prospective for Zinc and Lead. The Djebba and Zeflana permits cover 32kms in the Atlas Zinc-Lead Province that runs through the north of the country.

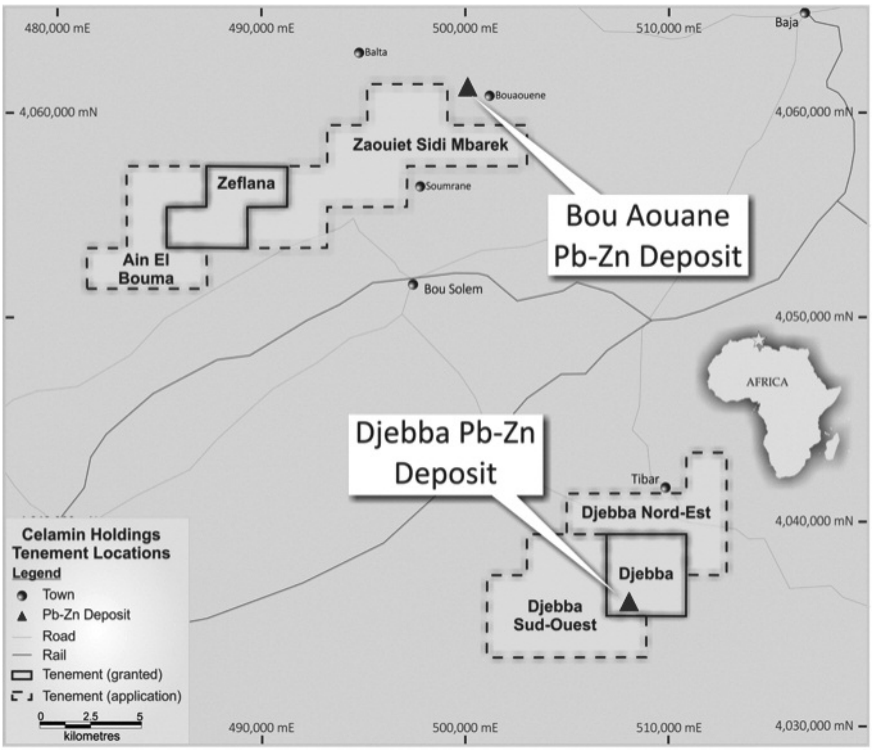
Since the grant of the exploration permits, Celamin has acquired the report on the mining study completed in 1989 by Montreal-based consultancy, Le Groupe SIDAM-Minorex, for the Office National des Mines ("ONM") in Tunisia and engaged CSA Global to review this study to enable announcement of the historical resource estimate.

The mining study, titled "Etude de faisabilité preliminaire de l'exploitation du gite plomb-zincifere de Djebba" (Pre-feasibility study on mining the Djebba Zinc-Lead deposit) documents historical resource estimates and mining studies for the deposit completed in the period 1986-89. The study was based on drilling completed by ONM at the historical Djebba mine site which was used to estimate and report the historical resource of 2.7 Mt at 6.1% Zn and 3.3% Pb[1].

Better results from the historical ONM drilling include:

- S-30bis 16.6m at 8.36% Zn & 1.8% Pb from 66.1m
- MDJ2 10.45m at 17.52% Zn & 1.57% Pb from 21.85m
- MDJ7 8 .55m at 9.55% Zn & 0.81% Pb from 32.85m

Figure 3: Location of granted permits, Djebba and Zeflana and recent applications



1 Celamin cautions that this resource estimate is a historical estimate and was not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimate as a mineral resource and/or reserve in accordance with the JORC Code and it is uncertain that following evaluation and/or further exploration work that the historical estimate will be able to be reported as a mineral resource or ore reserve in accordance with the JORC Code.

Celamin cautions that this resource estimate is a historical estimate and was not reported in accordance with the JORC Code. A Competent Person has not done sufficient work to classify the historical estimate as a Mineral Resource and/or Ore Reserve in accordance with the JORC Code and it is uncertain that following evaluation and/or further exploration work that the historical estimate will be able to be reported as a Mineral Resource or Ore Reserve in accordance with the JORC Code.

Subsequent to the 1989 study, additional drilling and other exploration work was completed at Djebba by ONM (1992), ONM-Metallgesellschaft (1993-94), VSX-listed Consolidated Global Minerals Ltd (2001-04), and AIM-listed Maghreb Minerals (2002-2008). Celamin is in the process of acquiring, compiling, and assessing the available data and reports for this subsequent work.

Celamin will now focus on validation of the historical resource based on confirmatory drilling and target generation work to define new targets for drill testing as this style of mineralisation can be extensive and form large deposits.

As noted in Figure 3, Celamin has lodged applications for larger permits covering the geological trends of both the Djebba and Zeflana permits. The applications areas are expected to improve the possibility of delineating extensions to the mineralisation at both locations.

For further information on the Djebba and Zeflana permits, including past ownership and historical data, please refer to ASX releases 17 July 2018 and 31 October 2018 which can be found at http://celaminnl.com.au/

Completion of Share Purchase Plan, Bonus Options Offer and Top Up Placement
On 9 November 2018, Celamin announced that it had successfully raised AUD622,500 from existing shareholders via the Share purchase plan, representing 92% of the maximum amount able to be raised by the SPP. Furthermore, pursuant to the Top-up Placement as announced on 14 November 2018, the company raised a total of AUD311,639.

On 20 November 2018, the company issued a total of 63,772,811 Options expiring 18 May 2020 exercisable at AUD0.05 as a result of the 1 for 2 Bonus Options Offer which was announced to the market on 8 October 2018.

On 20 December 2018 following shareholder approval at the Celamin's Annual General Meeting held on 26 November 2018, pursuant to the Top-up Placement as announced on 14 November 2018, the company raised an additional AUD24,863.

On 14 February 2019, Celamin raised a total of AUD250,000 pursuant to the Placement Offer as contemplated by the Prospectus lodged with ASIC and ASX on 15 October 2018, the Supplementary Prospectus lodged with ASIC and ASX on 6 December 2018 and the Second Supplementary Prospectus lodged with ASIC and ASX on 1 February 2019 to sophisticated investors.

On 19 June 2019, the company announced that following an exercise of unlisted options, the company raised a total of AUD180,125.

On 13 December 2019, Celamin's share price closed at AUD0.12 with a market capitalisation of USD12.35 million (AUD/USD = 0.68920).

Lithium, Iron, Vanadium and Precious Metals

PRISM Diversified Ltd (formerly Ironstone Resources)

- Atomised Iron Powders, Carbonyl Iron Powders, Vanadium, Canada
- 19.13% equity interest

In early 2018, Ironstone Resources Ltd. was rebranded and renamed to PRISM Diversified Ltd. to mark the company's transition and focus on manufacturing of metallurgical powders rather than iron metallics. PRISM is an acronym for Peace Region Innovative & Sustainable Manufacturing, which is also the company's mission and brand statement.

Looking for alternative ways to capitalize on its asset, it became apparent that manufacturing of highly sought metallurgical powders such as carbonyl iron powders, atomized iron powders and vanadium pentoxide could provide faster route to cash-flow while reducing its CAPEX significantly. Technologies used to manufacture metal powders are readily available and have existed for decades – it is a matter of fine-tuning its process flow sheet and determining its palette of products.

In order to facilitate the extraction/processing/production plan, PRISM sourced and engaged an internationally recognized engineering firm – DRA Global which has experience in this segment of the iron world and they will work in affiliation with a proven expert in advanced vapour metallurgy, who is credited with numerous process patents – Dmitri Terekhov, PhD, President of Vapour Metallurgy Innovations Inc. ("VMI"). DRA Global in conjunction with VMI will be conducting a Pre-Feasibility Study ("PFS") and Bankable Feasibility Study ("BFS") (with an off-ramp after the PFS) to create an iron powders and vanadium production facility. The deposit is anticipated to produce 30,000 tonnes per annum of iron powder, although the modular operation can be easily expanded to meeting the growing global demand for metal powders.

As a part of this restructuring and re-positioning of the company, PRISM has implemented certain changes to the Management and Board of Directors. Dr. Elena Clarici has been appointed as a CEO, and former CEO Mr. Barry Caplan will continue to serve the company in a consultant capacity as well as to remain on the Board of Directors. Dr Elena Clarici is a seasoned mining professional with some 25 years of mining investment and corporate experience. During this time she held a number of senior positions at various financial institutions in the City of London, focusing principally on investment management in natural resources and emerging markets. Elena currently serves on a number of Boards of mining companies. Originally trained as a mining engineer she gained her PhD in Artificial Intelligence in Mining from Royal School of Mines, Imperial College, London, U.K.

Additional management and Board changes include the resignation of Mr. James Masleck as CFO and from the Board of Directors. The Chairman, Carl Berdahl has assumed an Acting CFO position, while the company's accountant Ms Linda Warner has been appointed as Corporate Secretary and Financial Controller.

PRISM is currently looking to raise approximately C$3.5 million (USD2.63 million) to complete its PFS/BFS Studies in 2020 for Iron Carbonyl Powder ("ICP") production with an aim of commercial production commencing early 2022.

Gold

Blackham Resources Limited (ASX: BLK)

- Gold, Western Australia
- Coal, Southwest Australia
- Combined direct and indirect 0.47% equity interest (diluted following a rights issue and new share issue)

The Matilda-Wiluna Gold Operation is located in Australia's largest gold belt. The Operation encompasses four large gold systems surrounding the township of Wiluna that has historically produced of 4.4Moz of gold. In October 2016, Blackham produced first gold from the Operation.

Highlights

Since publishing the Blackham 2018 Annual Report, the company has delivered the following results:

- Consistent year-on-year throughput and processing plant performance.
- Extensive development and mining of free-milling Wiluna open pits with benefits delivered into FY2020.
- Continued replenishment and extensions of high-grade ore from the Golden Age Underground.
- Commenced mining at the Williamson open pit mine with dedicated project funding secured via the sale of certain assets to Salt Lake Potash.
- Exploration success at Williamson, Lake Way and Golden Age North.
- Defined low cost capital pathway to deliver value as the company transitions to its sulphide operations.
- Re-structured Management and Board of Directors.

Operations

Gold production during the year was 65,406oz. Although gold production was below expectations in the Mar'19 and Jun'19 quarters, the significant investment in mining development during this period will deliver benefits over the next six months.

Free milling gold is now being accessed from several pits and the company remains focused on improving costs and production. The near-term operational focus is on mining the company's highest margin reserves, by providing steady continuous feed of high-

FY2019 Gold Production Statistics

Mining	Units	30 June 2019	30 June 2018
Mining			
Open pit strip ratio	Waste/ore	9.1	8.6
Total ore mined (UG and open pit)	t	1,938,606	1,696,842
Total mined grade	g/t	1.3	1.5
Total mined contained ounces	oz	79,785	81,283
Processing			
Tonnes processed	t	1,807,931	1,835,057
Grade processed	g/t	1.3	1.4
Plant recovery	%	85	87
Gold produced	oz	65,406	70,565
All-in sustaining costs	A$/oz	1,760	1,629

grade ore though the process plant and improving mill availability and utilisation, while also implementing appropriate cost cutting initiatives and operational improvements.

Production, Cost and Capital Guidance for FY2020
Production guidance for FY2020 is 70k-80koz @ an AISC of AUD1,550-AUD1,750/oz. Forecast FY2020 AISC includes approximately AUD11 million of sustaining capital expenditure, mostly comprising the construction of a new tailings storage facility, which will provide storage capacity for the ongoing operations. Non-sustaining capital expenditure outside of the Stage 1 Sulphide Expansion Project, which includes refurbishment of the Rod Mill to increase plant throughput, is forecast to be AUD5 million over the year.

Mining
In October 2018, Blackham advised it has commenced open pit mining at Wiluna of its recently defined free milling ore. It has been 10 years since open pit mining last took place at the Wiluna Mine. Recommencement of mining at the Wiluna Mine is expected to increase plant feed grade, reduce haulage costs and significantly reduces mine sequencing risks due to more mining areas. Mining of the Wiluna free milling pits will significantly reduce both geological and mining risks associated with the larger sulphide pits prior to recommissioning the Wiluna plants sulphide circuit.

In line with the mine plan adopted at the start of the year, the remaining open pits at Matilda will be mined concurrently with the Wiluna open. All the Wiluna open pits are located within 3kms of the plant, significantly lowering haulage costs

Mining at Williamson open pit commenced in September 2019 and total earth movement will increase in the December 2019 quarter, commensurate with pre-stripping required to access the Williamson ore body (targeted for the second half of FY20). Pre-stripping activities will also occur in the December 2019 quarter for a further cut-back at the Wiluna Golden Age North open pit mine. Waste rock from this mining area will be used in the construction of the new tailings storage facility, and high-grade ore supply from this mining area will also become available in the second half of FY20.

Resource summary
The Matilda-Wiluna Gold Operation's gold Resources of 93Mt @ 2.1g/t for 6.4Moz are to JORC 2012 standard and are all within a 20km radius of the Wiluna Gold Plant. 66Mt @ 1.7g/t for 3.7Moz (57% of total resources) are in the Measured and Indicated Resource category. For more information on the resource please refer to Blackham's ASX announcement dated 27 September 2019.

Reserves
The Matilda-Wiluna Gold Operation's gold Reserves of 25Mt @ 1.7g/t for 1.4Moz are to JORC 2012 standard and are all within a 20km radius of the Wiluna Gold Plant. Free-milling Reserves total, whereas the remaining reserves are focussed on the Sulphide Expansion Project. For more information on the reserve please refer to Blackham's ASX announcement dated 27 September 2019.

Resource and Reserve Definition Drilling
During the year, Blackham completed several projects aimed at strengthening and lengthening its gold reserves and ongoing exploration drilling targeted at new oxide deposits, to extend the current free milling mine life. The company completed 23,551.4m of resource definition drilling during the period, comprising 181 RC holes for 21,858m and 13 DD holes for 1,693.4m.

In the twelve months to 30 June 2019, Blackham's exploration team concentrated on further delineating free-milling open pit reserves over the 4km strike at the Wiluna mine. Revised mining and metallurgical studies confirmed that oxide and transitional ores at Wiluna are amenable to CIL processing, leading to infill drilling targeted at Wiluna free-milling pits that have been mined through FY2019.

Blackham remains focused on extending the life of the Golden Age underground mine in line with recent exploration success. From February to May 2019, Blackham completed surface RC and underground diamond drilling programmes. Results released to the market identified high grade extensions at Golden Age confirming that mineralisation is open both down plunge and down dip and future mining is planned to increasingly target the extensions defined from this drilling. Please refer to Blackham's ASX releases dated 19 February 2019 "Excellent Drill Results Extend Both Open Pit and Underground Mining at Golden Age", 15 May 2019 "High-Grade Extensions to Golden Age", and 19 September 2018 "Additional Wiluna High Grade Free-Milling Mineralisation".

Surface RC drilling above the underground Golden Age workings have confirmed the continuity of the mineralised structure over a 600m strike and to a depth of 370m, with mineralisation remaining open, both laterally and down-dip.

Metallurgical test work indicates mineralisation at Golden Age North is also free-milling, consistent with the Golden Age underground. Mining of a further cutback on the Golden Age North pit is scheduled to commence in the latter half of 2019.

Wiluna Expansion Studies
The Expansion PFS published on 30 August 2017, confirmed the robust economics for a +200kozpa long mine life operation. This study confirmed the Wiluna Expansion opportunity is capital efficient with economies of scale significantly reducing unit operating costs.

On 28 February 2019, Blackham provided an update on its Expansion Studies, detailing a staged approach that allows an initial low capital cost expansion to enable production from its reserves. The Stage 1 Expansion targets 100-120kozpa production with costs well below its current free milling operation and long mine life. The initial Stage 1 focuses on the production of a gold concentrate predominantly from the Wiluna underground with flexibility to also process its free milling and tailings Reserves. The Stage 1 Expansion will allow Blackham to focus on its highest margin Reserves.

The overall target is to be in a position to commit to the Stage 1 Expansion during the December 2019 quarter.

Wiluna Cobalt-Nickel Project (“Wilconi”)
On 20 December 2018, A-Cap Energy Limited (“ACB”) entered into a binding term sheet with Blackham to acquire up to 75% of the Wiluna Nickel-Cobalt project via a staged Farm-in and Joint Venture Agreement (‘JVA’). The project covers 40km of strike of the “Perseverance Ultramafics” sequence, which hosts world class nickel projects including Mt Keith, Cosmos, Venus, Perseverance and Honeymoon Well. In January 2019, ACB acquired an initial interest of 20% for cash consideration of AUD2.8 million (USD1.9 million) to Blackham.

During the September 2019 quarter ACB completed a resource upgrade that confirms a large Nickel – Cobalt Resource of 78.8 million tonnes. Please refer to the ACB’s ASX announcement dated 17 September 2019 for further details.

Salt Lake Potash
On 23 July 2019, Blackham announced that it had agreed to sell its Lake Way tenements, cancel its brine royalty and provide certain water rights to Salt Lake Potash Limited (ASX: SO4) (“Salt Lake Potash”) for AUD10 million cash, whilst retaining certain gold mining rights for both those tenements and Salt Lake Potash’s neighbouring tenements (“Lake Way Transaction”). The Lake Way transaction does not restrict Blackham’s mining activities as it progresses towards Stage 1 of its Sulphide Expansion Project.

Salt Lake Potash and Blackham also identified a mutual opportunity for Salt Lake Potash to utilize part of the pre-strip material from Blackham’s proposed Williamson Pit development for the construction of the Salt Lake Potash’s on-lake evaporation ponds. Salt Lake Potash will contribute up to AUD10 million to the pre-strip of the Williamson open pit mine, allowing Blackham to expedite the mining of the Williamson open pit and also provide Salt Lake Potash with suitable construction material for its Lake Way Sulphate of Potash project.

Convertible Security Funding Agreement
On 25 September 2018, Blackham announced the execution of an agreement with an entity managed by The Lind Partners, a New York based institutional fund manager, (“Lind”).

Lind’s AUD7.5 million investment was provided as a Secured Convertible Note, the proceeds of which were used, along with Blackham’s cash, to fully repay the short term secured debt owed to Orion Fund JV Limited. The convertible note was repaid on 2 September 2019.

Controlled Placement Agreement
During July 2018, Blackham entered into a Controlled Placement Agreement (“CPA”) with Acuity Capital. The CPA provides Blackham with up to AUD10 million of standby equity capital over the coming 29-month period. Importantly, Blackham retains full control of all aspects of the placement process, having sole discretion as to whether or not to utilise the CPA, the quantum of shares issued, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements on Blackham to utilise the CPA and Blackham may terminate the CPA at any time, without cost or penalty. If Blackham does decide to utilise the CPA, Blackham is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by Blackham and a 10% discount to a Volume Weighted Average Price over a period of Blackham's choosing (again at the sole discretion of Blackham).

Pursuant to the abovementioned Controlled Placement Agreement, Blackham issued 25,000,000 collateral shares to Acuity Capital Investment Management ATF Acuity Capital Holdings Trust on 26 September 2018.

Debt financing and working capital facility
During the year and subsequent to reporting date, the company entered into a working capital facility with MACA that will assist Blackham to progress towards its transition to the Stage 1 Expansion Sulphide Development, targeting 120kozpa gold production and long mine life.

Pursuant to the working capital facility, MACA will provide Blackham with working capital of up to AUD19 million until 29 February 2020, which will be provided to Blackham in the form of extended payment terms for amounts payable to MACA under its mining services contract (“Working Capital Facility”). The Working Capital Facility has been provided within the company’s existing security arrangements, but is separate to the AUD14.3 million secured loan previously provided by MACA, against which Blackham will continue to make payments in accordance with the agreed schedule, with the balance having reduced to AUD10.3 million as at 30 June 2019.

Capital Raising

On 11 April 2019, Blackham announced that it had raised gross proceeds of AUD25.8 million through a placement of 1.7 billion shares at a price of AUD0.015 per share.

On 12 September 2019, Blackham announced a capital raising of up to AUD7 million (before costs) that will provide funding for key mine development work programs that will underpin Blackham's FY2020 production, including pre-production activities at the Williamson open pit, a new tailings storage facility, rod mill refurbishment, and for general working capital. The capital raising comprises of a AUD4 million placement to a small number of targeted international and domestic institutional and professional investors at a price of AUD0.01 per share and a share purchase plan to existing shareholders for up to a further AUD3 million, at the same price as the Placement.

On 13 December 2019, Blackham's share price closed at AUD0.011 with a market capitalisation of USD33.41 million (AUD/USD = 0.68920).

Nimini Holdings Limited

- Gold Project, Sierra Leone

Polo's Annual Report 2018 explained that despite the considerable lobbying efforts by our in-country representative who is a Director of our local subsidiary Nimini Mining Limited, the Nimini Project's Mining Licence ("ML") was cancelled at the end of August 2018. This came a month after a blanket move by the Government of Sierra Leone ("GoSL") cancelling over 30 mining licences at which time the GoSL cited it was facing serious revenue generation challenges.

Note that Nimini had earlier taken the decision to suspend all payments to the GoSL (including the annual ML fee). Nimini wrote to the GoSL explaining that it was forced to take this drastic action because the GoSL was not acting in good faith with the Mine Development Agreement ("MDA") negotiations. The MDA is crucial to development of Nimini's Komahun Gold Project as it defines the fiscal terms.

Polo remains disappointed by the GoSL's action in cancelling the Nimini Project's mining licence and wrote directly to the President and the Minister of Mines and Mineral Resources appealing for the decision to be reversed. Nimini Holdings Ltd and its Sierra Leone subsidiaries have since been dissolved during 2018-19.

In the meantime, following the termination of the Operator Agreement with our joint venture partner Plinian and under the terms and conditions of this agreement and other supplementary agreements Polo is pursuing recovery of some USD4,182,717.28 (with interest calculated to 22 July 2019)) from Plinian.

Copper

Weatherly International Plc (AIM; WTI)

- Copper, Namibia
- 5.2% equity interest

Weatherly International is reviewing its strategic options following the appointment of Simon Kirkhope and Andrew Johnson of FTI Consulting as joint administrators of the company in June 2018. This follows the implementation of a recovery plan for its Tschudi copper mine in Namibia, following significant water ingress in May 2018. Since the appointment of the joint administrators in June, there have been material improvements to the dewatering capabilities and a strategy enabling stable path to growth has been implemented.

Weatherly has a diverse portfolio of base metal production and development assets with multiple low capital spend growth opportunities. These include the Tschudi Mine, the Otjihase and Matchless mines (together, "Central Operations") which were placed on care and maintenance in September 2015 and the Berg Aukas project in Namibia. Key highlights of Weatherly's main assets are provided below.

Tschudi

- Producing copper mine located in Tsumeb, northern Namibia
- Currently running at 17ktpa (the SX-EW plant's minimum design capacity)
- Ore Reserves[1] of 15.6Mt at 0.89% Cu for 138.2kt and Mineral Resources1 of 51.0Mt at 0.76% Cu for 387.7kt
- Materially improved dewatering capabilities and strategy enabling stable path to growth
- Strong Resource base could support further production enabling potential mine life extensions
- Underexplored project area
- Modern processing facilities and robust infrastructure base

Central Operations

- Three underground mines and an 800ktpa copper concentrator, currently on care and maintenance
- The operations were in production until September 2015, producing high quality concentrate sought after for blending
- Mineral Resources[2] of 4.40Mt at 2.27% Cu for 99.7kt (Otjihase) and 1.34Mt @ 2.40% for 31.8Kt (Matchless)
- Otjihase and Matchless mines represent a significant low capital intensity restart opportunity with substantial cash flow enhancing opportunities including:
  - Capital realisation through optimised design
  - Improvement of exploration target through expansion and access to neigbouring compartments recovery

Berg Aukas

- Past-producing zinc-lead-vanadium project located near Tsumeb, Namibia
- Shafts and access development to 800m depth
- Ore Reserves[3] of 1.69Mt at 11.16% Zn, 2.76% Pb and 0.23% V2O5 (Cut off 5% Zn) and Mineral
- Resources[3] of 1.26Mt at 15.47% Zn, 3.84% Pb and 0.33% V2O5 (Cut off 3.0% Zn)
- Significant value enhancing opportunities including:
  - Shaft stripping/decline addition options allowing for larger equipment and mill expansion
  - Unlocking value from metal recovery from stock of historical tailings
  - Favourable vanadium pricing environment

Notes

1 Total as at 30 June 2017. 100% basis.

2 100% basis. Mineral Resource statement for the Otjihase Mine is declared in terms of the JORC Code (2012 Edition) with an effective date of 31 March 2018. Matchless estimated tonnage based on Bara polygonal calculation.

3 As at April 2013.

Financial Review

The purpose of this review is to provide a further analysis of the Group's consolidated 2019 results and the main factors that affected this financial performance. The Financial Review should be read in conjunction with the financial statements and associated notes.

For the year ended 30 June 2019, the Group recorded a loss on ordinary activities after taxation of USD4.19 million (2018: USD7.60 million). The loss was largely due to provision of a full impairment of USD4.18 million against the recoverability of the outstanding loan from Plinian Guernsey, impairment charge of USD2.45 million against Prism Diversified Ltd (formally Ironstone Resources Ltd) and an impairment reversal of USD2.4 million against the carrying value of GCM Resources Plc. During the financial year the gain of fair value movement of the Group's financial investments was USD4.83 million.
The Group remained prudent in managing its administrative expenditure which stood at USD2.26 million compared to USD2.29 million in the previous financial year.

Basic loss per share for the year ended 30 June 2019 was USD1.34 cents (2018: USD2.44 cents).

It should be noted that this figure is not necessarily indicative of a weakening financial performance as such variances are in the very nature of a natural resource investment company whose strategic focus extends beyond a single reporting year.

Financial Position

The Directors have reviewed the Group's budgets for 2019-2020, 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 Group's cash balances. Additionally, the Directors have assessed the likelihood of future funding requirements. Based on these activities, the Directors are satisfied that the Group 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.

As at 13 December 2019, the Group had a net position of cash, receivables and short term investments of USD11.97 million (30 June 2019: USD11.71 million). Listed and unlisted investments at marked to market value, cost and valuation amounted to USD46.99 million (30 June 2019: USD52.62 million). The combined total of cash, receivables, payables, listed and unlisted investments was USD53.80 million as of 13 December 2019 (30 June 2019: USD60.16 million) which is equivalent to a Net Asset value of approximately 13.07 pence per Polo share (30 June 2019: 15.19 pence per share).

Outlook

Polo's investment exposure is now primarily centered around the energy sector and we are mindful of the growing importance climate change and the desire by all governments to reduce their CO2 emissions is having on investors in terms of their investment decision focus and policy when it comes to investing in the hydrocarbon sector. Polo has always taken the view that we have to offer our shareholders a balanced investment portfolio. In the case of both Hibiscus and GCM we are mindful of the environmental footprint of both these investee companies. Whilst there is a global desire to reduce CO2 and greenhouse gasses and for the world to transit much faster towards renewable energy, the transition will naturally take some time. In the mean-time industries still demand the supply of petroleum to support the day to day workings of the global economy and where in the foreseeable future Polo will remain committed to supporting Hibiscus which is a best in class oil and gas company recognised by a number of external verifications.

In the case of GCM we are confident that the development of Phulbari will see the latest highly energy efficient coal fired power generation plants being designed and built and that these will operate to the highest possible environmental standards. In particular these power plants will use leading-edge flue gas cleaning systems to protect air quality and cooling systems that minimise water consumption. We also envisage applicable CO2 recovery systems will be incorporated as soon as the technology is available.

Polo remains focussed on supporting our current investee companies as our key priority heading into 2019. I would like to thank all our shareholders, partners and advisers for their continuous and unwavering support.

Datuk Michael Tang, PJN
Executive Chairman
19 December 2019

Management and Leadership

Good governance ensures that the highest standards are maintained across all aspects of the Company's operations. The commitment to responsible governance begins at Board level and flows throughout the Polo Resources operation.

Datuk Michael Tang, PJN (aged 46)

Executive Chairman

Datuk Michael is the founder of Mettiz Capital Limited, an investment company with a diversified portfolio comprising natural resources, power generation, manufacturing, healthcare and real estate, and which has a major shareholding in the Company. He is an investor and entrepreneur with significant corporate, commercial and financial experience. Datuk Michael holds a Bachelor of Laws degree from the London School of Economics and Political Science and was called to the Bar of the Honourable Society of the Lincoln's Inn of England and Wales. On the community front, Datuk Michael was the founding trustee of the Gold Coast Dharma Realm in Australia and 1Malaysia Community Alliance Foundation. In recognition of his invaluable service and contribution to the nation, he was conferred the Distinguished Order for Meritorious Service ("Panglima Jasa Negara") which carries the honorific title of "Datuk" by His Majesty The King of Malaysia.

Kian Meng Cheah (aged 46)

Senior Non-Executive Director

Mr. Kian Meng Cheah has more than 16 years banking and investment management experience with financial institutions in South East Asia including Standard Chartered Bank and Merrill Lynch International. He holds a number of private company directorships in Singapore and Malaysia involved in private equity and real estate investment. Mr. Cheah is also an Executive Director of the Select Equity Growth Ltd. fund with a focus across diversified sectors in South East Asia, Hong Kong and Australia. He holds a Bachelor of Commerce (Accounting) from Curtin University of Technology, Australia.

Gary Lye (aged 66)

Non-Executive Director

Mr. Lye has over 40 years' experience in natural resources having held senior positions with several leading mining companies. He is currently CEO of Asia Energy Corporation (Bangladesh) Pty Ltd, the operating subsidiary of GCM Resources Plc where he is COO. From 1994 - 2003 he was with Kalgoorlie Consolidated Gold Mines Pty Ltd as manager of strategic mine development at their Super Pit operations in Kalgoorlie, Western Australia. He has previously acted as Manager of Mining Research for CRA in Perth, Western Australia and spent many years with Bougainville Copper Ltd. in Papua New Guinea. Gary has a Master's Degree (Rock Mechanics) from the Royal School of Mines and a Diploma from Imperial College in London, and an Honours Degree in Geology specialising in coal and petroleum geology from the University of Queensland, Australia. He is a member of the Australian Institute of Mining and Metallurgy (AUSIMM).

Forward-looking Statements

Certain statements in this report are ‘‘Forward Looking statements’’. These statements are not based on historical facts, but rather on the management’s expectations regarding the Company’s future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, planned exploration and development drilling activity and the results of such drilling activity, business prospects and opportunities. Such Forward Looking statements reflect management’s current beliefs and assumptions and are based on information currently available to management.

Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes, the results of exploration and development drilling and related activities, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although the forward-looking statements contained in this Document are based upon what management believes to be reasonable assumptions the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

This Annual Report contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 and has been announced in accordance with the Company's obligations under Article 17 of that Regulation.

Group Annual Financial Statements

For the year ended 30 June 2019

Directors' Report

The Directors are pleased to present this year's Annual Report together with the group financial statements for the year ended 30 June 2019.

Principal Activity

The principal activity of the Group is that of a natural resources investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth prospects. Polo aims to build a diversified portfolio of mineral and hydrocarbon assets which the Board of Directors consider as offering substantial growth potential, pursuing both short and long-term value enhancing investments.

Business Review and Future Developments

A review of the current and future development of the Group's business is given in the Chairman's Statement, Strategic Report and Finance Review on pages 4-19.

Results and Dividends

Loss on ordinary activities of the Group after taxation amounted to US$4.2million (2018: Loss US$7.6million). The Directors do not recommend payment of a dividend in respect of the financial year under review.

Key Performance Indicators

Given the nature of the business the Directors are of the opinion that analysis using KPIs is not appropriate for an understanding of the development, performance or position of the business at this time.

Events after the end of the reporting period

At the date these financial statements were approved, being 19 December 2019, the Directors were not aware of any significant events after the end of the reporting period, other than those set out in the notes to the financial statements.

Directors

The names of the Directors who served during the year are set out below:

Executive Directors
Michael Tang

Non-Executive Directors
Kian Meng Cheah
Gary Lye

Directors' Remuneration

The Company remunerates the Directors at a level commensurate with the size of the Company and the experience of its Directors. The Remuneration Committee has reviewed the Directors' remuneration and believes it upholds the objectives of the Company with regard to this issue. Details of the Directors' emoluments and payments made for professional services rendered are set out in Note 7 to the financial statements.

Directors' Interests

The total beneficial interests of the serving Directors in the shares and options of the Company during the year to 30 June 2019 were as follows:

	30 June 2019		30 June 2018	
Director	Shares	Options*	Shares	Options*
Michael Tang	39,218,775	20,000,000	39,218,775	20,000,000
Kian Meng Cheah	-	-	-	-
Gary Lye	-	-	-	-

* The option details have been fully disclosed in Note 18 to the financial statements.

Corporate Governance

A statement on Corporate Governance is set out on pages 26 to 31.

Environmental Responsibility

The Company is aware of the potential impact that activities conducted by it and some of its subsidiary companies may have on the environment. The Company ensures that it, and its subsidiaries at a minimum, comply with the local regulatory requirements and the revised Equator Principles with regard to the environment.

Employment Policies

The Group is committed to promoting policies which ensure that high calibre employees and consultants are attracted, retained and motivated to ensure the ongoing success for the business. Employees and those who seek to work within the Group are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin.

Health and Safety

The Group aims to achieve and maintain a high standard of workplace safety. In order to achieve this objective, the Group provides ongoing training and support to employees and set demanding standards for workplace safety.

Payment to Suppliers

The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement provided the supplier has met the terms and conditions. Suppliers are typically paid within 30 days of issue of invoice.

Political Contributions and Charitable Donations

During the year the Group did not make any political contributions or charitable donations.

Annual General Meeting ("AGM")

This report and financial statements will be presented to shareholders for their approval at the AGM. The Notice of the AGM will be distributed to shareholders together with the Annual Report.

Auditors

A resolution to re-appoint Chapman Davis LLP and to authorise the Directors to fix their remuneration will be proposed at the next Annual General Meeting.

Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding the loss for the year ended 30 June 2019. This basis assumes that the Group will have sufficient funding to enable it to continue to operate for the foreseeable future and the Directors have taken steps to ensure that they believe that the going concern basis of preparation remains appropriate.

The Group made a loss for the year of $4,190,000 after taxation. The Group had net assets of $60,162,000 and cash balances of $550,000 at 30 June 2019. The Directors have prepared financial forecasts which cover a period of at least 12 months from date that these financial statements are approved. These forecasts show that the Group expects to have sufficient financial resources to continue to operate as a going concern.

The Directors anticipate that the Group will have a controlled level of operating costs for the next 12 months, principally the costs of maintaining the AIM listing and of pursuing investment opportunities for the Group. Therefore, they are confident that existing cash balances and the sale of any of the Group's listed investments, are adequate to ensure that costs can be covered.

Consequently, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future and that it remains appropriate for the financial statements to be prepared on a going concern basis.

Statement of Disclosure of Information to Auditors

As at the date of this report the serving Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of Directors' Responsibilities

The Directors prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the Annual Report includes information required by AIM, the market of that name operated by The London Stock Exchange.

Electronic Communication

The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Company's website is maintained in accordance with AIM Rule 26.

Legislation in the British Virgin Islands governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

By order of Board:

Datuk Michael Tang, PJN
Executive Chairman
19 December 2019

Corporate Governance Statement

For the year ended 30 June 2019

Changes to corporate governance regime

The board of Polo Resources Ltd are committed to the principles of good corporate governance and believe in the importance and value of robust corporate governance and in our accountability to our shareholders and stakeholders.

The AIM Rules for companies, updated in early 2018, required AIM companies to apply a recognised corporate governance code from 28 September 2018. Polo has chosen to adhere to the Quoted Company Alliance's Corporate Governance Code for Small and Mid-Size Quoted Companies (the "QCA Code") and listed below are the 10 broad principles of the QCA Code and the Company's disclosure with respect to each point.

THE PRINCIPLES OF THE QCA CODE

1. **Establish a strategy and business model which promote long-term value for shareholders**

   The principal activity of the Group is that of a natural resources investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth prospects. Polo aims to build a diversified portfolio of mineral and hydrocarbon assets which the Board of Directors consider as offering substantial growth potential, pursuing both short and long-term value enhancing investments.

   The Group's strategy is explained fully within our Investing Policy included within our website and on page 3 of our Annual Report & Accounts for the year ended 30 June 2019. A review of the current and future development of the Group's business is given in the Chairman's Statement, Strategic Report and Finance Review on pages 4 to 19 of the 2019 Annual Report & Accounts.

2. **Seek to understand and meet shareholder needs and expectations**

   The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements and regular updates of the Company website. The Board views the Annual General Meeting ("AGM") as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

   The Board maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

   The Company lists contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board.

3. **Take into account wider stakeholder and social responsibilities and their implications for long-**term **success**

   The Company is aware of the potential impact that activities conducted by it and some of its subsidiary companies may have on the environment. The Company ensures that it, and its subsidiaries at a minimum, comply with the local regulatory requirements and the revised Equator Principles with regard to the environment.

   The Group's responsibilities to stakeholders including staff, suppliers, consultants and wider society are also recognised.

4. **Embed effective risk management, considering both opportunities and threats, throughout the organisation**

   Internal Controls

   The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. The Directors are aware that no system can provide absolute assurance against material misstatement or loss. However, in the interest of the further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives and is an essential part of the Group's planning and an important aspect of the Group's internal control system. There is a process of evaluation of performance targets through regular reviews by senior management to budgets and forecasts. Project milestones and timelines are regularly reviewed.

The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls.

The principal risks facing the Company are set out below Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

Risks and Uncertainties

The principal risks facing the Company are set out below. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

General and Economic Risks

- contractions in the world's major economies or increases in the rate of inflation resulting from international conditions;
- movements in the equity and share markets in the United Kingdom and throughout the world;
- weakness in global equity and share markets in particular, in the United Kingdom, and adverse changes in market sentiment towards the natural resource industry;
- currency exchange rate fluctuations and, in particular, the relative prices of US Dollar, Australian Dollar, Canadian Dollar, Singapore Dollar and the UK Pound;
- exposure to interest rate fluctuations; and
- adverse changes in factors affecting the success of exploration and development operations, such as increases in expenses, changes in government policy and further regulation of the industry; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

Funding Risk

- The Group or the companies in which it has invested may not be able to raise, either by debt or further equity, sufficient funds to enable completion of planned exploration, investment and/or development projects.

Commodity Risk

- Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a wide range of factors, most of which are outside the control of the Company. Mining, processing and transportation costs also depend on many factors, including commodity prices, capital and operating costs in relation to any operational site.

Exploration and Development Risks (relating to investments)

- Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
- Success in identifying economically recoverable reserves can never be guaranteed. The Company also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.
- Some of the countries in which the Company operates have native title laws which could affect exploration and development activities. The companies in which the Company has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes which may vary from country to country. The Group's policy is to follow all applicable laws and regulations and the Company is not currently aware of any material issues in this regard.
- Timely approval of mining permits and operating plans through the respective regulatory agencies cannot be guaranteed.
- Availability of skilled workers is an ongoing challenge.
- Geology is always a potential risk in mining activities.

Market Risk

- The ability of the Group (and the companies it invests in) to continue to secure sufficient and profitable sales contracts to support its operations is a key business risk.

Corporate Governance Statement (continued)

For the year ended 30 June 2019

Insurance

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company.

Treasury Policy

The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group and take advantage of opportunities as they arise. Decisions regarding the management of these assets are approved by the Board.

Securities Trading

The Board has adopted a Share Dealing Code that applies to Directors, senior management and any employee who may be in possession of 'inside information'. All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

5. Maintain the board as a well-functioning, balanced team led by the chair

The Board of Directors currently comprises one Executive Director, whom is the Chairman, and two Non-Executive Directors, one of whom also acts as Senior Independent Director. The Directors are of the opinion that the Board currently comprises a suitable balance and that the recommendations of the QCA Code have been implemented to an appropriate level.

All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. All Directors have access to the advice of the Company's solicitors and other professional advisers as necessary and information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. All Directors have access to independent professional advice, at the Company's expense, as and when required.

The Company will hold timely board meetings periodically as issues arise which require the attention of the Board. The Directors will be responsible for formulating, reviewing and approving the Company's strategy, budget, major items of capital expenditure and senior personnel appointments.

Board Committees

The Company has established a Remuneration Committee and also an Audit Committee with formally delegated duties and responsibilities.

Audit Committee

The Audit Committee considers the Group's financial reporting (including accounting policies) and internal financial controls. The Audit Committee comprises the Executive Director, and one Non-Executive Director; Kian Meng Cheah (Chairman), and Michael Tang and are responsible for ensuring that the financial performance of the Group is properly monitored and reported on. In addition, the Audit Committee receives and reviews reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Company.

Remuneration Committee
The Remuneration Committee is responsible for making recommendations to the Board in respect of Directors' and senior executives' remuneration with due regard to the interests of the Shareholders and the performance of the Company. It comprises the Executive Director and one Non-Executive Director; Kian Meng Cheah (Chairman), and Michael Tang. Non-Executive Directors' remuneration and conditions are considered and agreed by the Board. Financial packages for Executive Directors are established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievements and of recognised job qualifications and skills. The Committee will also have regard to the terms which may be required to attract an equivalent experienced executive to join the Board from another company.

In accordance with the provisions of the AIM Rules, which require the nominated adviser and the Company to maintain regular contact so as to enable: i) the nominated adviser to ensure the Company and the Directors continue to understand their obligations under the AIM Rules for Companies: and ii) that the nominated adviser is kept up to date with developments at the Company, the Directors have considered it appropriate to appoint a committee to ensure compliance with those rules ("AIM Rules Compliance Committee").

The AIM Rules Compliance Committee established by the Company comprises any two Directors of the Company and they have been given full power and authority to perform, approve, execute, deliver and/or issue all things which the AIM Rules Compliance Committee considers necessary or expedient in connection with the Company's Admission to and trading on AIM, or any matter incidental thereto including, without limitation raising and discussing or issuing notification to the nominated adviser of:

a. any deals by Directors in respect of any Ordinary Shares in which the Directors are interested;
b. any changes by any Shareholder holding 3% or more of any Ordinary Shares which increase or decrease such holding through any single percentage;
c. the resignation, dismissal or appointment of any Director from time to time;
d. any change in the Company's accounting reference date, registered office address or any change in its legal name;
e. any material change between the Company's actual trading performance or financial condition and any profit forecast, estimate or projection made public on behalf of the Company;
f. any decision to make any payment in Ordinary Shares;
g. the reason for the application for admission to trading on AIM or cancellation of any Ordinary Shares; the occurrence and number of Ordinary Shares taken into and out of treasury;
h. the resignation, dismissal or appointment of the Company's nominated advisor or broker from time to time;
i. any change in the website address operated by the Company including any changes in order to ensure continued compliance with Rule 26 of the AIM Rules for Companies;
j. the admission to any other exchange or trading platform of the Ordinary Shares; and
k. any changes relating to the Company in connection with its financial condition, sphere of activity, performance of its business and the expectation of its performance.

Visit: http://www.poloresources.com/PDF/Polo-Resources-Memorandum-and-Articles.pdf

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board believes that its broad collective experience in investing together with their extensive network of contacts will assist them in the identification, evaluation, structuring and funding of appropriate investment opportunities. When necessary, external consultants and professionals are engaged to assist in the evaluation of prospective targets, their management teams and the respective market place.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board carries out an evaluation of its performance annually, taking into account the Financial reporting Council's Guidance on Board Effectiveness.

The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments. No directors have joined or stepped down from the Board since its last AGM.

Taking due regard of the principles of Good Governance, the Directors offer themselves for re-election at intervals of no more than three years.

8. Promote a corporate culture that is based on ethical values and behaviours

Confidentiality
In accordance with legal requirements and agreed ethical standards, Directors and all staff have agreed to maintain confidentiality of non-public information except where disclosure is authorised or legally mandated.

Bribery
In accordance with the provisions of the Bribery Act, all Directors and staff have been informed and have acknowledged that it is an offence under the Act to engage in any form of bribery. The Company has an anti-bribery and whistleblowing policy in force.

The Directors' Report section of our Corporate Governance Report on page 26 of our Annual Report & Accounts for the year ended 30 June 2019 details the ethical values of the Polo Resources Group including environmental, social and community and relationships.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Chairman & Chief Executive Officer is the leading representative of the Company presenting the Company's aims and policies to Shareholders. His responsibilities include taking the Chair at Board Meetings and General Meetings, where he is responsible for ensuring the appropriate supply of information. He is also responsible for leading the development and execution of the Company's long-term strategy. The Company considers that having the same person as Chairman and Chief Executive Officer is appropriate to the Company and Group at its current stage of development, and that sufficient experience and compliance structures exist within the Company to ensure that the governance functions that would be part of an independent Chairman's responsibility are carried out. Independent Directors will sit on the Audit and Remuneration Committees and will be responsible for reporting to the full board their conclusions, and for keeping up to date with the work of the Corporate Governance.

Matters reserved for the Board
The Board has a formal schedule of matters reserved to it for its decision. This schedule is reviewed annually and includes approval of:

- Group objectives, strategy and policies;
- Corporate Governance;
- Structure and capital;
- Financial reporting and control
- Substantial transactions, contracts and commitments;
- Board membership and other appointments;
- Review of performance;
- Risk assessment;
- Dividends; and
- Remuneration

Other specific responsibilities are delegated to Board Committees, which operate within clearly defined terms of reference. Our Corporate Governance Statement on pages 26 to 31 of our 2019 Annual Report & Accounts details the Company's governance structures and why they are appropriate and suitable for the Company.

10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board recognises the AGM as an important opportunity to meet private shareholders.

The Group's financial reports can be found here:
http://www.poloresources.com/Investors_Reports.htm

Notices of General Meetings of the Company can be found here:
http://www.poloresources.com/Investors_Reports.htm

The results of voting on all resolutions in future general meetings will be posted to the Group's website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.

By order of Board:

Datuk Michael Tang, PJN
Executive Chairman
19 December 2019

Independent auditor’s report to the members of Polo Resources Ltd

Opinion

We have audited the financial statements of Polo Resources Ltd (the ‘Parent Company’) and its subsidiaries (the ‘Group’) for the year ended 30 June 2019 which comprise the Consolidated and Company Statements of financial position, the Consolidated and Company Statements of Comprehensive Income, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity, and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 30 June 2019 and of the Group’s and the Parent Company’s results for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the BVI Business Companies Act 2004 as amended and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit. Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of financial investments

The Group's financial investments represent a significant asset on its statement of financial position totalling $49,540,000 as at 30 June 2019, which includes $7,874,000 of unlisted investments which we considered to be the key audit area.

Management and the Board are required to ensure that Financial Investments are carried in the statement of financial position at fair value and accord with the Group's accounting policy.

Given the significance of the Financial Investments on the Group's statement of financial position and the significant management judgement involved in the determination of the valuation methodology on the class of unquoted equity investments and the assessment of the carrying values of these investments there is an increased risk of material misstatement.

How the Matter was addressed in the Audit

The procedures included, but were not limited to, assessing and evaluating management's assessment and valuation methodology as applicable to its holdings in unlisted investments within the category of financial investments with consideration of:

- the investment in Fusionex International Plc, which was de-listed from the London Stock Exchange in June 2017, and has continued to progress as seen by its last annual report to 31 March 2019 which showed increased revenues and profitability;
- the long-standing investment in Prism Diversified Ltd (formally Ironstone Resources Ltd) and its potential for future value creation, and the Company continues to raise equity funds to purse its activities, but has done so at a lower issue price, and hence implies a lower company value, as a result an impairment charge of $2,450,000 has been attributed to this investment;
- the outstanding Convertible Loan Note with Universal Coal Resources Pte Ltd, which had failed to list on the Singapore Stock Exchange, but is now considering other areas of asset realisation, including repayment of the loan note by way of asset transfers, and continues to pursue their options.

We also assessed the disclosures included in the financial statements and our results found the methodology used to ascertain the carrying value for financial investments and the $7,874,000 value for unlisted investments to be acceptable.

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified. Based on professional judgement, we determined overall materiality for the financial statements as a whole to be $605,000, based on a 1% percentage consideration of the total assets.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor’s report to the members of Polo Resources Ltd (continued)

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors’ Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit we have not identified material misstatements in the Strategic Report or the Directors’ Report. We have nothing to report in respect of the following matters which would requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors’ Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our Report

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rowan Palmer (Senior Statutory Auditor)
for and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
19 December 2019

Group Statement of Comprehensive Income

For the year ended 30 June 2019

	Notes	Year ended 30 June 2019 $ 000's	Year ended 30 June 2018 $ 000's
(Loss) on sale of financial investments		**(895)**	-
Gain on fair value movement of financial investments		**4,828**	-
Investment income	5	**134**	241
Impairment of financial investments	14	**(2,450)**	(2,749)
Administrative & Exploration expenses		**(2,263)**	(2,291)
Share options expensed	7, 18	**(213)**	(216)
Group operating (loss)	3	**(859)**	(5,015)
Share of associates results	13	**(1,572)**	(785)
Reversal of/(Impairment) of associate	13	**2,400**	(1,250)
Other loan provision	15	**(4,180)**	(916)
Finance revenue	6	**457**	370
Loss on disposal of subsidiary	12	**(436)**	-
(Loss) before taxation		**(4,190)**	(7,596)
Income tax expense	8	**-**	-
Retained (loss) for the year		**(4,190)**	(7,596)
Other comprehensive income			
Gain on market value revaluation of available for sale investments		**-**	20,334
Currency translation differences		**423**	107
Other comprehensive income for the year net of taxation		**423**	20,441
Total comprehensive income for the year		**(3,767)**	12,845
Retained (loss) for the year attributable to:			
Equity holders of the parent		**(4,186)**	(7,596)
Non-controlling interests		**(4)**	-
		(4,190)	(7,596)
Total comprehensive income for the year attributable to:			
Equity holders of the parent		**(3,763)**	12,867
Non-controlling interests		**(4)**	(22)
		(3,767)	12,845
(Loss) per share (US cents)			
Basic	10	**(1.34)**	(2.44)
Diluted	10	**(1.34)**	(2.44)

Company Statement of Comprehensive Income

For the year ended 30 June 2019

	Notes	Year ended 30 June 2019 $ 000's	Year ended 30 June 2018 $ 000's
Administrative expenses		**(2,258)**	(2,287)
Share options expensed	**7, 18**	**(213)**	(216)
Provision on loan to subsidiary	**15**	**-**	(2)
Operating (loss)	**3**	**(2,471)**	(2,505)
Other loan provision	**15**	**(4,180)**	(916)
Finance revenue	**6**	**457**	370
(Loss) before taxation		**(6,194)**	(3,051)
Income tax expense	**8**	**-**	-
Retained (loss) after taxation		**(6,194)**	(3,051)
Other comprehensive income			
Currency translation differences		**(85)**	66
Other comprehensive income for the year net of taxation		**(85)**	66
Total comprehensive income for the year		**(6,279)**	(2,985)

Strategic Report

Corporate Governance

Financial Statements

Group Statement of Financial Position

For the year ended 30 June 2019

	Note	30 June 2019 $ 000's	$ 000's	30 June 2018 $ 000's	$ 000's
ASSETS					
Non-current assets					
Tangible assets	**11**	**-**		2,475	
Interest in associates	**13**	**3,083**		2,134	
Financial investments	**14**	**45,672**		43,971	
Trade and other receivables	**15**	**-**		3,941	
Total non-current assets			**48,755**		52,521
Current assets					
Trade and other receivables	**15**	**7,289**		3,004	
Financial investments	**14**	**3,868**		6,816	
Cash and cash equivalents		**550**		1,260	
Total current assets			**11,707**		11,080
TOTAL ASSETS			**60,462**		63,601
LIABILITIES					
Current liabilities					
Trade and other payables	**16**	**(300)**		(3,320)	
TOTAL LIABILITIES			**(300)**		(3,320)
NET ASSETS			**60,162**		60,281
EQUITY					
Equity contribution	**17**	**306,714**		306,714	
Retained earnings		**(264,727)**		(280,215)	
Available for sale investment reserve		**-**		19,674	
Foreign exchange reserve		**17,657**		17,234	
Share based payments reserve	**18**	**429**		216	
			60,073		63,623
Non-controlling interest			**89**		(3,342)
TOTAL EQUITY			**60,162**		60,281

These financial statements were approved by the Board of Directors on 19 December 2019 and signed on its behalf by:

Datuk Michael Tang
EXECUTIVE CHAIRMAN

Kian Meng Cheah
NON-EXECUTIVE DIRECTOR

Company Statement of Financial Position

For the year ended 30 June 2019

	Notes	30 June 2019 $ 000's	30 June 2019 $ 000's	30 June 2018 $ 000's	30 June 2018 $ 000's
ASSETS					
Non-current assets					
Investment in subsidiaries	12	-		-	
Trade and other receivables	15	61,588		71,271	
Total non-current assets			61,588		71,271
Current assets					
Trade and other receivables	15	6,362		2,050	
Financial investments	14	797		797	
Cash and cash equivalents		551		1,250	
Total Current Assets			7,710		4,097
TOTAL ASSETS			69,298		75,368
LIABILITIES					
Current Liabilities					
Trade and other payables	16	(283)		(287)	
TOTAL LIABILITIES			(283)		(287)
NET ASSETS			69,015		75,081
EQUITY					
Equity contribution	17	306,714		306,714	
Retained earnings		(241,812)		(235,618)	
Foreign exchange reserve		3,684		3,769	
Share based payments reserve	18	429		216	
TOTAL EQUITY			69,015		75,081

These financial statements were approved by the Board of Directors on 19 December 2019 and signed on its behalf by:

Datuk Michael Tang
EXECUTIVE CHAIRMAN

Kian Meng Cheah
NON-EXECUTIVE DIRECTOR

Group Statement of Cash Flows

For the year ended 30 June 2019

	Notes	Year ended 30 June 2019 $ 000's	Year ended 30 June 2018 $ 000's
Cash flows from operating activities			
Operating (loss)		**(859)**	(5,015)
Decrease/(increase) in trade and other receivables		**24**	(513)
(Decrease)/increase in trade and other payables		**(80)**	90
(Increase) in available for sale investments		**(1,203)**	(39)
Foreign exchange (gain)/loss		**(5)**	1
Share options expensed		**213**	216
Impairment of AFS investments		**2,450**	2,749
Net cash inflow/(outflow) from operating activities		**540**	(2,511)
Cash flows from investing activities			
Finance revenue		**6**	370
Equity purchases in associates		**(121)**	(530)
Loan (advanced) to third party		**(1,156)**	(184)
Net cash (outflow) from investing activities		**(1,271)**	(344)
Cash flows from financing activities			
Issue of ordinary share capital		**-**	-
Net cash inflow from financing activities		**-**	-
Net (decrease) in cash and cash equivalents		**(731)**	(2,855)
Cash and cash equivalents at beginning of year		**1,260**	4,010
Exchange gain on cash and cash equivalents		**21**	105
Cash and cash equivalents at end of year	**19**	**550**	1,260

Company Statement of Cash Flows

For the year ended 30 June 2019

	Notes	Year ended 30 June 2019 $ 000's	Year ended 30 June 2018 $ 000's
Cash flows from operating activities			
Operating (loss)		**(2,471)**	(2,505)
(Increase) in trade and other receivables		**(3)**	(512)
(Decrease)/increase in trade and other payables		**(4)**	87
Share options expensed		**213**	216
Provision on loan to subsidiary		**-**	2
Foreign exchange (gain)/loss		**(5)**	1
Net cash (outflow) from operating activities		**(2,270)**	(2,711)
Cash flows from investing activities			
Finance revenue		**6**	370
Loans repaid/(advanced) from/to subsidiaries		**2,740**	(293)
Loan (advanced) to third party		**(1,156)**	(184)
Net cash inflow/(outflow) from investing activities		**1,590**	(107)
Cash flows from financing activities			
Issue of ordinary share capital		**-**	-
Net cash inflow from financing activities		**-**	-
Net (decrease) in cash and cash equivalents		**(680)**	(2,818)
Cash and cash equivalents at beginning of year		**1,250**	4,004
Exchange (loss)/gain on cash and cash equivalents		**(19)**	64
Cash and cash equivalents at end of year	**19**	**551**	1,250

Group Statement of Changes in Equity

For the year ended 30 June 2019

Group	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 2017	**306,714**	**(682)**	**17,127**	**454**	**(273,073)**	**50,540**	**(3,320)**	**47,220**
(Loss) for the year	-	-	-	-	(7,596)	**(7,596)**	**-**	**(7,596)**
Gain on market value revaluation of available for sale investments	-	20,356	-	-	-	**20,356**	**(22)**	**20,334**
Currency translation differences	-	-	107	-	-	**107**	**-**	**107**
Total comprehensive income	**-**	**20,356**	**107**	**-**	**(7,596)**	**12,867**	**(22)**	**12,845**
Share options expired	-	-	-	(454)	454	**-**	**-**	**-**
Share options charge	-	-	-	216	-	**216**	**-**	**216**
Total contributions by and distributions to owners of the Company	-	-	-	(238)	454	**216**	**-**	**216**
As at 30 June 2018	**306,714**	**19,674**	**17,234**	**216**	**(280,215)**	**63,623**	**(3,342)**	**60,281**
(Loss) for the year	-	-	-	-	(4,186)	**(4,186)**	**(4)**	**(4,190)**
Currency translation differences	-	-	423	-	-	**423**	**-**	**423**
Total comprehensive income	**-**	**-**	**423**	**-**	**(4,186)**	**(3,763)**	**(4)**	**(3,767)**
Share options charge	-	-	-	213	-	**213**	**-**	**213**
Total contributions by and distributions to owners of the Company	-	-	-	213	-	**213**	**-**	**213**
Transfer to retained earnings	-	(19,674)	-	-	19,674	**-**	**-**	**-**
Eliminated on disposal of subsidiary	-	-	-	-	-	-	3,435	3,435
As at 30 June 2019	**306,714**	**-**	**17,657**	**429**	**(264,727)**	**60,073**	**89**	**60,162**

Company Statement of Changes in Equity

For the year ended 30 June 2019

	Equity contribution	Foreign exchange reserve	Share based payment reserve	Retained earnings	Total equity
Company	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
As at 1 July 2017	**306,714**	**3,703**	**454**	**(233,021)**	**77,850**
(Loss) for the year	-	-	-	(3,051)	**(3,051)**
Currency translation differences	-	66	-	-	**66**
Total comprehensive income	**-**	**66**	**-**	**(3,051)**	**(2,985)**
Share options expired	-	-	(454)	454	**-**
Share options charge	-	-	216	-	**216**
Total contributions by and distributions to owners of the Company	-	-	(238)	454	**216**
As at 30 June 2018	**306,714**	**3,769**	**216**	**(235,618)**	**75,081**
(Loss) for the year	-	-	-	(6,194)	**(6,194)**
Currency translation differences	-	(85)	-	-	**(85)**
Total comprehensive income	**-**	**(85)**	**-**	**(6,194)**	**(6,279)**
Shares options charge	-	-	213	-	**213**
Total contributions by and distributions to owners of the Company	**-**	**-**	**213**	**-**	**213**
As at 30 June 2019	**306,714**	**3,684**	**429**	**(241,812)**	**69,015**

Notes to the Financial Statements

For the year ended 30 June 2019

1 Summary of Significant Accounting Policies

(a) Authorisation of financial statements

The Group financial statements of Polo Resources Limited for the year ended 30 June 2019 were authorised for issue by the Board on 19 December 2019 and the balance sheets signed on the Board's behalf by Michael Tang and Kian Meng Cheah. The Company is registered in the British Virgin Islands under the BVI Business Companies Act 2004 with registered number 1406187. The Company's Ordinary Shares are traded on the AIM, the market of that name operated by the London Stock Exchange.

(b) Statement of compliance with IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's and Subsidiaries' financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

Future changes in accounting policies

IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements. Their adoption is not expected to have a material effect on the financial statements.

New/Revised International Financial Reporting Standards (IAS/IFRS)	**Effective date** (accounting periods commencing on or after)
IFRS 16 Leases	1 January 2019
IFRS 17 Insurance contracts	1 January 2021

(c) Basis of preparation and Going Concern

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below.

The financial report is presented in US Dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

The financial statements have been prepared on a going concern basis, notwithstanding the loss for the year ended 30 June 2019. This basis assumes that the Group will have sufficient funding to enable it to continue to operate for the foreseeable future and the Directors have taken steps to ensure that they believe that the going concern basis of preparation remains appropriate.

The Group made a loss for the year of $4,190,000 after taxation. The Group had net assets of $60,162,000 and cash balances of $550,000 at 30 June 2019. The Directors have prepared financial forecasts which cover a period of at least 12 months from date that these financial statements are approved. These forecasts show that the Group expects to have sufficient financial resources to continue to operate as a going concern.

The Directors anticipate that the Group will have a controlled level of operating costs for the next 12 months, principally the costs of maintaining the AIM listing and of pursuing investment opportunities for the Group. Therefore, they are confident that existing cash balances and the sale of any of the Group's listed investments, are adequate to ensure that costs can be covered.

Consequently, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future and that it remains appropriate for the financial statements to be prepared on a going concern basis.

Strategic Report Corporate Governance Financial Statements

(d) Basis of consolidation

The consolidated financial information incorporates the results of the Company and its subsidiaries (the “Group") using the purchase method. In the consolidated statement of financial position, the acquiree’s identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained. Inter-company transactions and balances between Group companies are eliminated in full.

(e) Business combinations

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are taken into consideration when assessing whether the group controls another entity. The Group also assesses existence of control where it does not have more than 50 per cent of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group’s voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, for example the reappointment of directors in general meeting etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(f) Interest in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting except when classified as held for sale. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associates, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are not recognised unless the Group has an obligation to fund such losses.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

(g) Goodwill and intangible assets

Intangible assets are recorded at cost less eventual amortisation and provision for impairment in value. Goodwill on consolidation is capitalised and shown within fixed assets. Positive goodwill is subject to an annual impairment review, and negative goodwill is immediately written-off to the income statement when it arises.

(h) Revenue

The Groups' principal income was derived from investment activities during the year ending 30 June 2019.

(i) Foreign currencies

The Company's functional currency is US Dollar ($). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Polo Resources Limited, which is US Dollar ($), at the rate of exchange ruling at the balance sheet date and their income statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

All other differences are taken to the income statement with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

(j) Significant accounting judgments, estimates and assumptions

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

(ii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

(k) Finance costs/revenue

Borrowing costs are recognised as an expense when incurred.

Finance revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(l) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in-hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(m) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(n) Financial Investments

Equity investments other than subsidiaries, associates and joint ventures are classified as financial investments. They are carried at fair value, where this can be reliably measured, with movements in fair value recognised directly in the income statement. Where the fair value cannot be reliably measured, the investment is carried at cost.

Any impairment losses in equity investments classified as financial investments are recognised in the income statement and are not reversible through the income statement and are determined with reference to the closing market share price at the balance sheet date. Any subsequent increase in the fair value of the financial investment above the impaired value will be recognised within the income statement.

Financial investments are included within non-current assets unless the carrying value is expected to be recovered principally through sale rather than continuing use, in which case they are included within current assets. On disposal, the difference between the carrying amount and the sum of the consideration received is recognised in the income statement.

Income from financial investments is accounted for in the income statement on an accruals basis.

(o) Financial instruments

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors. The Group has held active overseas subsidiaries in BVI, Guernsey and Republic of the Marshall Islands, whose expenses are denominated in US Dollars. Market price risk is inherent in the Group's activities and is accepted as such.

There is no material difference between the book value and fair value of the Group's cash.

(p) Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the tax computations and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case it is also dealt with in equity.

(q) Equity contribution

This reserve is used to record the valuation of shares issued, less any attributable costs of these issues, and other specific capital related costs.

(r) Available for sale investment reserve

This reserve was previously used to record the post-tax fair value movements in available-for-sale investments. Under the iFRS9 amendment all gains, losses and market value movements on the Group's Financial Investments are now taken directly into the income statement.

(s) Share based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration and provided to consultants and advisers hired by the Group from time to time as part of the consideration paid.

(t) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(u) Property, plant and equipment

General

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Land is measured at fair value less any impairment losses recognised after the date of revaluation. Depreciation is provided on all tangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

- Land (including option costs) – Nil
- Plant and Equipment – between 5 per cent and 25 per cent

All assets are subject to annual impairment reviews.

Exploration and evaluation

Once a licence to explore an area has been secured, expenditures on exploration and evaluation activities are capitalised within property, plant and equipment.

The Company records its capitalised exploration and evaluation at cost. The capitalised cost is based on cash paid, the value of share consideration and exploration costs incurred. The recoverable values are not always readily determinable and are dependent on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

All costs related to the acquisition, exploration and evaluation of these interests are capitalised on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are moved into development or production, sold or management has determined there to be an impairment of the value.

Management reviews the carrying value of capitalised exploration and evaluation costs at least annually. In the case of undeveloped projects, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding the Company's intentions for development of the undeveloped property. In some cases, the undeveloped properties are regarded as successors to ore bodies currently in production. Where this is the case, it is intended that these will be developed and go into production when the current source of ore is exhausted or to replace the reduced output.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mining interests within property, plant and equipment.

Mining interests

Mining interests represent capitalised expenditures related to the development of mining properties, acquisition costs, capitalised borrowing costs, expenditures related to exploration and evaluation transferred in and estimated site closure and reclamation costs.

Capitalised costs are depleted using the unit of production method over the estimated economic life of the mine to which they relate.

(u) Property, plant and equipment (continued)

Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation, depletion and impairment charges.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment.

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalised. Any remaining book value associated with the component being replaced is derecognised upon its replacement. Directly attributable expenses incurred for major capital projects and site preparation are capitalised until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognised as a provision.

Depreciation

Mining interests are depreciated to estimated residual value using the unit-of-production method based on the estimated total recoverable ounces contained in proven and probable reserves at the related mine when the production level intended by management has been reached ("commencement of commercial production").

The production level intended by management is considered to be reached when operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time and there are indicators that these operating results will be sustained. Other factors include one or more of the following:

- A significant utilisation rate of plant capacity has been achieved;
- A significant portion of available funding is directed towards operating activities;
- A pre-determined, reasonable period of time of stable operation has passed; and
- A development project significant to the primary business objective of the Company has been completed and significant milestones have been achieved.

Management reviews the estimated useful lives, residual values and depreciation methods of the Company's property, plant and equipment at the end of each reporting period and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

Plant and equipment cost is depreciated, using the straight-line method over their estimated useful lives, if shorter than the mine life, otherwise they are depreciated on the unit-of-production basis.

Plant and equipment includes building, plant and equipment, vehicles, furniture and fixtures and computer equipment and their estimated useful lives ranges from 2.5 years to 10 years.

Assets under construction are depreciated when they are complete and available for their intended use, over their estimated useful lives.

(v) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

(v) Impairment of assets (continued)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(w) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(x) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

(y) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to employees (including senior executives) and consultants of the Group in the form of share-based payments, whereby employees and consultants render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Polo Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees and consultants become fully entitled to the award (the vesting period).

The Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 10).

Strategic Report

Corporate Governance

Financial Statements

(z) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of Ordinary Shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential Ordinary Shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential Ordinary Shares; divided by the weighted average number of Ordinary Shares and dilutive potential of Ordinary Shares, adjusted for any bonus element.

2 Segmental analysis - Group

The Group operates in one segment, that being that of an investment group and corporate administrative entity. The disclosure of segmental analysis within this single operation is not seen as informative at the current stage of the Group's development. Geographical segmental analysis of the investments is not currently seen as of beneficial disclosure as this time.

3 Operating (loss)

	2019	**2019**	2018	2018
	Group	**Company**	Group	Company
Operating (loss) is arrived at after charging:	**$ 000's**	**$ 000's**	$ 000's	$ 000's
Auditors' remuneration – audit of Group and Company financial statements	**44**	**44**	46	46
Auditors' remuneration – audit of the Subsidiary financial statements	**-**	**-**	1	-
Directors' emoluments – fees and salaries	**660**	**660**	693	693
Directors' emoluments – share based payments	**155**	**155**	157	157
Currency exchange loss/(gain)	**(5)**	**(5)**	(1)	(1)
Bad debt provision	**-**	**-**	-	-

Notes to the Financial Statements

For the year ended 30 June 2019

4 Employee information – Group

Staff Costs comprised:	**2019** **$ 000's**	2018 $ 000's
Wages and salaries (#)	**-**	-

Average Number of employees (excluding Directors)	**Number**	Number
Exploration	**-**	-
Administration	**1**	1
	1	1

5 Investment income

	2019 **Group** **$ 000's**	**2019** **Company** **$ 000's**	2018 Group $ 000's	2018 Company $ 000's
Dividend income from investments	**134**	**-**	111	-
Income from sale of rights	**-**	**-**	130	-
	134	**-**	241	-

6 Finance revenue

	2019 **Group** **$ 000's**	**2019** **Company** **$ 000's**	2018 Group $ 000's	2018 Company $ 000's
Loan interest receivable	**451**	**451**	358	358
Bank interest receivable	**6**	**6**	12	12
	457	**457**	370	370

7 Directors' emoluments

Group

	2019	2018
	$ 000's	$ 000's
Directors' remuneration	815	850

2019	Directors Fees $ 000's	Consultancy Fees $ 000's	Share Options Issued $ 000's	Total $ 000's
Executive Directors				
Michael Tang (*)	8	636	155	**799**
Non-Executive Directors				
Cheah Kian Meng	8	-	-	**8**
Gary Lye	8	-	-	**8**
	24	**636**	**155**	**815**

2018	Directors Fees $ 000's	Consultancy Fees $ 000's	Share Options Issued $ 000's	Total $ 000's
Executive Directors				
Michael Tang (*)	8	600	157	**765**
Non-Executive Directors				
Cheah Kian Meng	8	-	-	**8**
Gary Lye	8	69	-	**77**
	24	**669**	**157**	**850**

(*) The amount for consultancy services was paid to a company in which Michael Tang has an interest.

No pension benefits are provided for any Director.

8 Taxation – Group

	2019	2018
Analysis of charge in year	$ 000's	$ 000's
Tax on ordinary activities	-	-

As an International Business Group, the British Virgin Islands imposes no corporate taxes or capital gains tax. However the Group may be liable for taxes in the jurisdictions of the underlying investments.

No deferred tax asset, or any deferred tax liability has currently been recognised during the year under review.

9 Dividends

No dividends were paid in the year to 30 June 2019. (2018: US$: Nil).

10 Loss 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 year:

	2019	2018
(Loss) after taxation ($000's)	**(4,190)**	(7,596)
Weighted average number of Ordinary Shares used in calculating basic earnings per share (millions)	**311.79**	311.79
Basic (loss) earnings per share (expressed in US cents)	**(1.34)**	(2.44)
Weighted average number of Ordinary Shares used in calculating fully diluted earnings per share (millions)	**311.79**	311.79
Diluted (loss) earnings per share (expressed in US cents)	**(1.34)**	(2.44)

As the inclusions of the potential Ordinary Shares would result in a decrease in the loss per share they are considered to be anti-dilutive and as such not included.

Strategic Report

Corporate Governance

Financial Statements

11 Tangible assets – Property, Plant & Equipment

	Group		
	Mining exploration & evaluation costs	Property, plant & equipment	Total
	$ 000's	$ 000's	$ 000's
Cost			
As at 1 July 2017	48,031	-	48,031
Additions	-	-	-
As at 30 June 2018	**48,031**	**-**	**48,031**
As at 1 July 2018	48,031	-	48,031
Disposals	(48,031)	-	(48,031)
As at 30 June 2019	**-**	**-**	**-**
Depreciation & Impairment			
As at 1 July 2017	45,556	-	45,556
Impairment provision	-	-	-
As at 30 June 2018	**45,556**	**-**	**45,556**
As at 1 July 2018	45,556	-	45,556
Eliminated on disposal	(45,556)	-	(45,556)
As at 30 June 2019	**-**	**-**	**-**
Net Book Value			
As at 30 June 2019	**-**	**-**	**-**
As at 30 June 2018	2,475	-	2,475

Impairment Reviews

As at 30 June 2019, as a result of the dissolution of the Nimini Holdings Group, the tangible assets have been eliminated. The carrying value of the right and title to the technical database of the Sierra Leone Project of Nimini Holdings Limited was transferred to Polo Resources Ltd. The directors of Polo believe they have recoverable assets in the form of the technical data, and as such are carrying the recoverable value of the data within other receivables at $3million, and are actively seeking to realise this value through the sale thereof.

As at 30 June 2018, no further impairment has been recognized against the Nimini ("Komahun") evaluation and exploration assets. The Board of Directors continue to be of the opinion the exploration costs remain at their recoverable value based on the below. The Group has received interest in the technical data and is continue to pursue these discussions accordingly. All costs related to Nimini in the previous year have been bourne by the Parent Company and these amounted to $15,000 which were expensed during the previous year.

Notes to the Financial Statements

For the year ended 30 June 2019

12 Investment in subsidiaries

Shares in Group undertakings	**2019**	2018
Company	**$ 000's**	$ 000's
Cost		
At beginning of the year	**-**	-
Additions	**-**	-
As at 30 June	**-**	-

As at 30 June 2019, the Directors are of the opinion that the carrying value of the subsidiaries, represents at least their fair and recoverable values.

The parent company of the Group holds more than 50 per cent of the share capital of the following companies as at 30th June 2019:

Company	**Country of Registration**	**Proportion held**	**Functional Currency**	**Nature of business**
Direct				
Polo Investments Limited	Guernsey	100%	US$	Investment Company
Polo Gold Limited	BVI	100%	US$	Holding Company
Polo Direction Limited	BVI	100%	US$	Holding Company
Andina Gold Corporation	BVI	62%	US$	Holding Company
Indirect				
Via Polo Investments Limited:				
Perfectus Management Limited	RMI	98%	US$	Investment Company

Nimini Holdings Ltd Group

Effective from July 2018, Nimini Holdings Ltd was dissolved, with its subsidiaries in Sierra Leone also dissolved in November 2019. The resultant loss on de-consolidation was £436,000 taken through the income statement.

Andina Gold Corporation

The Joint Venture in Colombian gold explorer Andina Gold Corporation was terminated in the year ending 30 June 2012, following unacceptable delays in the registration of licences, resulting in a loss of US$2.2 million. There still remains a secured recoverable value of approximately US$800,000, whereby the Company had expected to receive 50 per cent within 12 months, and the remainder in the following year. The Company now holds 62 per cent of Andina resulting from a settlement agreement with its former joint venture partner. The amount of US$800,000 remains outstanding as at 30 June 2019, and the Company previously commenced action to recover the outstanding balance due through legal channels and the successful Court Judgement found in the Companies favour. The Company expected to receive full settlement within the previous financial year, however the full amount due to the Company has not at the date of this report been paid and the Company continues its legal action to recover this amount and costs on an ongoing basis.

As a result of the above the recoverable investment value continues to remain accountable within financial investments/current assets in the current and prior year, as disclosed in Note 15.

13 Interest in associates

Group	2019 $ 000's	2018 $ 000's
At beginning of the year	**2,134**	3,084
Investments in associates – equity purchases	**121**	1,085
Share of associates' (losses) for the year	**(1,572)**	(785)
Impairment charge (see below)	**2,400**	(1,250)
As at 30 June	**3,083**	2,134

The breakdown of the carrying values and fair values at 30 June 2019 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)	**2,602**	**4,717**
Celamin Holdings Ltd (listed)	**481**	**1,361**
	3,083	**6,078**

During 2018-19, Polo acquired an additional 5,255,120 shares in Celamin following share placements and exercise of options. Subsequent to the reporting date the market value of the investment in associates was US$5,179,000 as at 13 December 2019.

Impairment charge

The Directors have as at 30 June 2019 reviewed the carrying value of the Groups Associate Investments, and consequently on a review of available Market and/or Fair value's through the information available, assessed that an impairment reversal of previous charges of $2.4million was reasonable against the carrying value of the Associate Companies in the current year (2018: impairment charge of $1.25million)).

Details of the Group associates at 30 June 2019 are as follows:

Name	Place of Incorporation	Proportion held	Date associate interest acquired	Reporting Date of associate	Principal activities
GCM Resources Plc	UK	17.74%	01/02/08	30/06/19	Coal exploration
Celamin Holdings Ltd	Australia	18.97%	18/12/14	30/06/19	Phosphate exploration

Summarised financial information for the Group's associates, where made publicly available, as at 30 June 2019 is given below:

	For the year ended 30 June 2019			As at 30 June 2019	
	Revenue '000's	(Loss) '000's	Total comprehensive income '000's	Assets '000's	Liabilities '000's
Celamin Holdings Ltd	-	A$(1,181)	-	A$835	A$(681)
GCM Resources Plc	-	£(6,024)	-	£41,677	£(3,045)

13	Interest in associates	2019	2018
	Group	**$ 000's**	$ 000's
	At beginning of the year	**2,134**	3,084
	Investments in associates – equity purchases	**121**	1,085
	Share of associates' (losses) for the year	**(1,572)**	(785)
	Impairment charge (see below)	**2,400**	(1,250)
	As at 30 June	**3,083**	2,134

The breakdown of the carrying values and fair values at 30 June 2019 of the Group's interest in listed and unlisted associates is as follows:

	Carrying Value	Fair Value
Non-current assets	**$ 000's**	**$ 000's**
GCM Resources Plc (listed)	**2,602**	**4,717**
Celamin Holdings Ltd (listed)	**481**	**1,361**
	3,083	**6,078**

During 2018-19, Polo acquired an additional 5,255,120 shares in Celamin following share placements and exercise of options. Subsequent to the reporting date the market value of the investment in associates was US$5,179,000 as at 13 December 2019.

Impairment charge

The Directors have as at 30 June 2019 reviewed the carrying value of the Groups Associate Investments, and consequently on a review of available Market and/or Fair value's through the information available, assessed that an impairment reversal of previous charges of $2.4million was reasonable against the carrying value of the Associate Companies in the current year (2018: impairment charge of $1.25million)).

Details of the Group associates at 30 June 2019 are as follows:

Name	Place of Incorporation	Proportion held	Date associate interest acquired	Reporting Date of associate	Principal activities
GCM Resources Plc	UK	17.74%	01/02/08	30/06/19	Coal exploration
Celamin Holdings Ltd	Australia	18.97%	18/12/14	30/06/19	Phosphate exploration

Summarised financial information for the Group's associates, where made publicly available, as at 30 June 2019 is given below:

	For the year ended 30 June 2019			As at 30 June 2019	
	Revenue '000's	**(Loss) '000's**	**Total comprehensive income '000's**	**Assets '000's**	**Liabilities '000's**
Celamin Holdings Ltd	-	A$(1,181)	-	A$835	A$(681)
GCM Resources Plc	-	£(6,024)	-	£41,677	£(3,045)

14 Financial investments

Listed & Unlisted Investments	2019 Group $ 000's	2019 Company $ 000's	2018 Group $ 000's	2018 Company $ 000's
At beginning of the year	**50,787**	**797**	33,163	797
Acquired during the year	**-**	**-**	-	-
Disposals during the year	**(2,730)**	**-**	-	-
Realised (loss)/gains on disposals	**(895)**	**-**	-	-
Exchange difference on Weatherly Impairment	**-**	**-**	39	-
Impairment of unlisted investment (see below)	**(2,450)**	**-**	(2,749)	-
Movement in market value	**4,828**	**-**	20,334	-
At 30 June	**49,540**	**797**	50,787	797
The financial investments splits are as below;				
Non-current assets – listed	**38,595**	**-**	34,444	-
Non-current assets – unlisted	**7,077**	**-**	9,527	-
Current assets – listed	**3,071**	**-**	6,019	-
Current assets – unlisted	**797**	**797**	797	797
	49,540	**797**	50,787	797

Financial investments comprise investments in unlisted and listed securities which are traded on stock markets throughout the world and are held by the Group as a mix of strategic and short term investments. Subsequent to the reporting date the market value of the financial investments was US$43,911,000 as at 13 December 2019.

Impairment of unlisted investments
The Directors have as at 30 June 2019 reviewed the carrying value of the Groups Unlisted Investments, and consequently on a review of available Fair value's through the information available, written down the carrying value of the following Unlisted Company Investments:

	2019 Impairment Charge $ 000's	2018 Impairment Charge $ 000's
Prism Diversified Ltd	**2,450**	-
Verolube Inc.	**-**	225
Weatherly International Plc	**-**	2,524
Total impairment charge	**2,450**	2,749

Notes to the Financial Statements

For the year ended 30 June 2019

15	**Trade and other receivables**	**2019**		2018	
		Group $ 000's	**Company $ 000's**	Group $ 000's	Company $ 000's
	Current trade and other receivables				
	Other debtors	**1,075**	**148**	1,095	149
	Loan due from Associates	**3,032**	**3,032**	1,723	1,723
	Prepayments	**182**	**182**	186	178
	Recoverable data value (Note 11)	**3,000**	**3,000**	-	-
	Total	**7,289**	**6,362**	3,004	2,050
	Non-Current trade and other receivables				
	Loans due from subsidiaries	**-**	**112,588**	-	165,715
	Provision in respect of subsidiaries loans	**-**	**(51,000)**	-	(98,385)
	Net due from subsidiaries	**-**	**61,588**	-	67,330
	Other loans	**4,180**	**4,180**	3,941	3,941
	Provision against other loan (see below)	**(4,180)**	**(4,180)**	-	-
		-	**61,588**	3,941	71,271

Loans outstanding and due from subsidiaries, are interest free and repayable on demand.

Subsidiary Loan Provisions

During the year to 30 June 2019, as per detailed in Note 12, Nimini Holdings Ltd Group had been dissolved and the remaining outstanding loan balance at the date of dissolution of $3million, converted to a receivable against the project data, and all other balances de-consolidated accordingly.

As at 30 June 2018, a further $2,000 had been provided against the loan to Nimini Holdings Ltd. As per prior year the Directors remain positive as to the recovery of $3 million in respect of the loan from Nimini Holdings Ltd by way of the realization of sale of the underlying data and information in respect of the Sierra Leone exploration areas from prior years activities.

Other Loans

Polo has a loan due from Plinian Guernsey Ltd ("Plinian Guernsey") of $4.18million. Polo announced that it is experiencing difficulty recovering this loan from Plinian Guernsey, a company owned by Plinian Capital Limited ("Plinian Capital") and both controlled by Bradford A. Mills. Efforts by the Company to recover this outstanding loan including demand letters from Polo and the Company's lawyers to the principals of Plinian Capital and Plinian Guernsey have been futile. Polo was notified that the "sole shareholder" of Plinian Guernsey had voluntarily put Plinian Guernsey in liquidation and that as an identified "potential stakeholder", Polo was invited to provide "proof of debt owed". Polo has responded to the joint voluntary liquidators as well as informed that, as noted in an RNS made by West African Minerals Corporation on 11 February 2016, Plinian Guernsey had transferred its assets to Plinian Capital, which in Polo's view may otherwise have been used to repay sums outstanding under agreements with Polo. Details of the agreements with Plinian were contained in a Polo RNS on 22 March 2012 entitled "Appointment of Plinian Capital Limited as Operator of Nimini Gold Project - Plinian Acquires 10 per cent Interest for US$2.5 million". Amongst others, Polo announced that it had provided Plinian Guernsey a loan amounting to US$2.5 million, accruing interest at 3 per cent above LIBOR per annum, and that Plinian Capital was appointed operator of the project. While Polo views the actions of Plinian as an intentional manoeuvre to evade liability, the door remains open to negotiating a settlement pending the preparation to commence court proceedings against Plinian Guernsey and its principals to pursue the recovery of the outstanding sums on behalf of its shareholders. The directors of Polo have in the interest of prudence, provide a full impairment against the recoverability of the outstanding loan.

16	**Trade and other payables**	**2019**		2018	
		Group	**Company**	Group	Company
		$ 000's	**$ 000's**	$ 000's	$ 000's
	Current trade and other payables:				
	Trade creditors	**133**	**133**	140	103
	Other loan (Note 22)	**-**	**-**	2,940	-
	Unclaimed dividends	**7**	**7**	-	-
	Accruals	**160**	**143**	240	184
		300	**283**	3,320	287

17 Equity Contribution - Share capital

Authorised	**$ 000's**
Unlimited Ordinary Shares of no par value	**-**

Called up, allotted, issued and fully paid	**Number of shares**	**Nominal value $000's**
As at 1 July 2017	**311,789,151**	**-**
No shares issued during the year.	-	-
As at 30 June 2018	**311,789,151**	**-**
No shares issued during the year.	**-**	**-**
As at 30 June 2019	**311,789,151**	**-**

There were nil shares issued during the year ended 30 June 2019 (2018: nil shares issued). There were no shares cancelled during the year ended 30 June 2019 (2018: no shares cancelled).

Total share options in issue

During the year ended 30 June 2019, the Company granted no new options over Ordinary Shares. (2018: 27,500,000 options issued)

As at 30 June 2019 the unexercised options in issue were;

Exercise Price	**Expiry Date**	**Options in Issue 30 June 2019**
4.5p	1 July 2028	27,500,000
		27,500,000

No options lapsed and no options were exercised during the year to 30 June 2019 (2018: 2,000,000 options lapsed). No options were cancelled during the year ended 30 June 2019 (2018: no options).

Total warrants in issue

During the year ended 30 June 2019, the Company granted no warrants to subscribe for Ordinary Shares. (2018: Nil). No warrants were exercised during the year to 30 June 2019 (2018: Nil), and no warrants lapsed during the year ended 30 June 2019. (2018: Nil). As at 30 June 2019 no warrants were in issue (2018: Nil).

18 Share Based Payments

Under IFRS 2 'Share Based Payments', the Company determines the fair value of options issued to Directors and Employees as remuneration and Consultants as consideration and recognises the amount as an expense in the income statement with a corresponding increase in equity.

The following options were in issue and charged during the year ended 30 June 2019 according to their vesting period, all other options in issue, had been charged in previous years:

Name	Date Granted	Date Vested	Number	Exercise Price (pence)	Expiry Date	Fair Value at Grant Date (cents)
Michael Tang	27/06/2018	See 1 below	20,000,000	4.5p	01/07/2028	1.79p
Mei Ling Yeung	27/06/2018	See 1 below	7,500,000	4.5p	01/07/2028	1.79p
Totals			**27,500,000**			

The above share options shall vest in equal instalments annually from the 1 July 2018 over a 3 year period. The options are exercisable at any time after vesting during the grantees' period as an eligible option holder and must be exercised no later than the expiry date on which all of the options will lapse.

The fair value of the options vested / granted during the year ended 30 June 2019 amounted to US$213,000 (2018: US$216,000). The assessed fair value at grant date is determined using the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following table lists the inputs to the models used for the prior year ended 30 June 2018:

	27 June 2018 issue
Dividend Yield (%)	-
Expected Volatility (%)	40.4
Risk-free interest rate (%)	0.75
Share price at grant date (£)	0.039

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

19 Analysis of changes in net funds

	2019		2018	
	Group	**Company**	Group	Company
	$ 000's	**$ 000's**	$ 000's	$ 000's
Balance at beginning of year	**1,260**	**1,250**	4,010	4,004
Net change during the year	**(710)**	**(699)**	(2,750)	(2,754)
Balance at the end of the year	**550**	**551**	1,260	1,250

20 Financial instruments

The Group uses financial instruments comprising cash, liquid resources and debtors/creditors that arise from its operations. The Group holds cash as a liquid resource to fund the obligations of the Group. The Group's cash balances are held in Sterling, US Dollars, Canadian Dollars and in Australian Dollars. The Group's strategy for managing cash is to maintain a mix of currencies and maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and monthly review of expenditure forecasts.

The Group has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposures on an ad hoc basis. Currency exposures relating to monetary assets held by foreign operations are included within the foreign exchange reserve in the Group Balance Sheet.

The Group carefully considers on an ongoing basis the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations to commercial exploitation but controls over expenditure are carefully managed.

The net fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements. The currency and interest rate profile of the financial assets is as follows:

Cash and short term deposits	2019		2018	
	Group	**Company**	Group	Company
	$ 000's	**$ 000's**	$ 000's	$ 000's
Sterling	**85**	**85**	44	44
US Dollars	**382**	**383**	829	819
Australian Dollars	**56**	**56**	360	360
Canadian Dollars	**27**	**27**	27	27
At 30 June	**550**	**551**	1,260	1,250

The financial assets comprise cash balances in current and interest earning bank accounts at call and three month deposit. The financial assets earn a range of interest rates throughout the period depending on rates available and ongoing cash commitments at any one point in time.

Notes to the Financial Statements

For the year ended 30 June 2019

20 Financial instruments (continued)

Currency risk

The Group has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk. It does however review its currency exposure on a regular basis. All of the Group's active companies, including parent and subsidiaries all operate with a functional currency of US Dollar, and thus the majority of cash balances are now held in that currency.

Rates of exchange to US$ used in the financial statements were as follows:

	As at 30 June 2019	Average for the year to 30 June 2019	As at 30 June 2018	Average for the year to 30 June 2018
Australian Dollar (A$)	0.70136	N/A	0.73852	N/A
Canadian Dollar (CA$)	0.76356	N/A	0.75760	N/A
Pound Sterling (GB£)	1.26898	N/A	1.31515	N/A
Singapore Dollar(SGD)	0.73851	N/A	0.73308	N/A

Equity price risk

The Group held listed and unlisted investments classified as available for sale during the year. The listed equity investments were listed on various major stock exchanges around the world. The sensitivity analysis in respect of listed equity investments, was based on the assumption that if the respective market increased/decreased by 10 per cent, the equity share price of the relevant companies invested therein would move accordingly to the correlation with the market it is listed on.

Changes in market index %	Effect on profit after tax $ 000's	Effect on equity $ 000's
10%	4,167	4,167
(10%)	(4,167)	(4,167)

21 Commitments & Contingent Liabilities

As at 30 June 2019, the Directors have confirmed the Group had not entered into any material commitments.

22 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between other related parties are discussed below.

The Company had the following transactions with related parties:

Name of related party	Relationship	Nature of transaction	Transactions with related party		Amounts owed from related party	
			At 30 June 2019 $000	At 30 June 2018 $000	**At 30 June 2019 $000**	At 30 June 2018 $000
GCM Resources Plc ("GCM")	Investee Company	Convertible Loan to GCM	**1,309**	425	**3,032**	1,723

Terms and conditions of transactions with related parties
On 30 November 2018 the existing short-term loan facility of £1.1 million with GCM Resources Plc was increased by £1.2 million. Prior to this amendment, the principal terms of the loan were: a loan facility of up to £1.1 million to be repaid within 90 days upon request and attracting an interest rate of 12% per annum. The revised terms provided for an increase in the loan facility amount by £1.2 million, to £2.3 million. The £1.2 million being drawn down by GCM in equal quarterly instalments of £300,000. The Lender, Polo, has the right to convert the outstanding loan balance and accrued interest to new ordinary shares of 10p each at a price of 11p per ordinary share within 14 days upon request. Any share issue to the Polo is conditional upon Polo's interest, together with the interest of any parties with which it is in concert, remaining below 30% of GCM's issued capital. All other principal terms of the loan facility remain unchanged.

Outstanding balances that relate to trading balances are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

The Company has the outstanding amounts due as at 30 June 2019 as disclosed in the table above. The loans outstanding are included within trade and other receivables, Note 15.

Remuneration of Key Management Personnel

The remuneration of the Directors, and other key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures.

	2019	2018
	$ 000's	$ 000's
Short-term employee benefits	**660**	693
Share-based payments	**213**	216
	873	909

23 Events after the end of the reporting period

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

Polo Resources

AIM: POL
www.poloresources.com