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POLO RESOURCES LIMITED

(“Polo” or the “Company”)

BLACKHAM RESOURCES – INVESTMENT UPDATE

Polo Resources Limited (AIM: POL), the multi-sector investment company with interests in oil, gold, coal, copper, phosphate, lithium, iron and vanadium, notes that its investee company, Blackham Resources Limited ("Blackham") (ASX: BLK) has provided an update on recent events associated with its Matilda/Wiluna gold production activities.

Blackham’s announcement has been substantially reproduced below. The full details of the announcement which includes informative graphics can be found at www.blackhamresources.com.

This announcement 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.

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About the Company

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

Matilda/Wiluna Operations Update

Blackham Resources Ltd (**ASX: BLK**) (“**Blackham**”) wishes to provide an update on recent events associated with its Matilda/Wiluna gold production activities.

Gold Production

Gold production for the March 2017 quarter was 15,428oz* (8,773oz Dec16 Qtr) (*interim unreconciled). Significant improvements in crusher and mill performance were seen during the quarter, however lower grade profile resulted in lower than forecast production.

Blackham has revised down its production guidance for the period ended 30 June 2017 due to the impact of heavy rainfall and lower mill grades to its Matilda/Wiluna Gold Operation. Forecast production in the period is now expected to be in the vicinity of 43,000 to 52,000 ounces for the financial year ending 30 June 2017, being just over eight months. Gold production for the June 2017 quarter is expected to improve significantly due to both higher tonnes processed and high grade profile out of the open pits.

Open Pit Mining

Since Blackham declared commercial production in January 2017, the site has received 265mm of rain compared to 110mm historical average for the quarter. Total rainfall in March has been four times the historical March average. The heaviest rainfall was experienced from 22nd to 25th March 2017 when 140 mm fell in four days. Open pit mining during the quarter lost 26 days including 15 days lost towards the end of March. All the Matilda open pits have experienced slow dig rates due to the wet conditions significantly reducing the total material and ore mined, particularly during March.

Mining in the Matilda M3 and M4 pits recommenced on the 28th March following a full safety assessment. Road sheeting and ramp maintenance was completed to allow re-access to the M3 and M4 pits. No ore has been sterilized as a result of the rainfall. Open pit mining at the higher grade Galaxy pit is due to start in the first week of April, one month behind schedule due to the slow mining rates at the Matilda pits.

Lower tonnes of ore mined, as well as grade profile being fed to the mill has resulted in lower grade ore being processed. Lower mined material, BCM's, will significantly reduce total mining costs for the quarter.

Underground Mining

Significantly less underground ore was extracted from the Golden Age underground than forecast during the quarter. Both development and stope tonnes and ounces were lower than forecast and stoping production has taken longer to ramp up. Ongoing development work and grade control drilling has allowed for a greater understanding of the Golden Age orebody resulting in a more conservative forecast of gold production from the upper portions of Golden Age. The mining schedule is being amended and revised mine plans will be updated over the coming weeks. A drill programme has commenced between the 840 – 1,000RL's with a view to bringing more ore into the mine plan.

Gold Processing

Crushing circuit – Crushing circuit utilisation in the March quarter improved to 69% (65% Dec 2016 Qtr). The crushing circuit during March (prior to the 22nd March rainfall event) operated at 72% utilization and averaged 5,110 wet tonnes per day being 98% of design. The heavy rainfall significantly affected the performance of the crushing circuit for a number of days. The crushing circuit has operated at up to 7,000 wet tpd during March. The crushing circuit operated at nameplate production for 6 weeks prior to the weather impacts (see the Crushing Throughput and Crushing Rate graphs in Blackham's full announcement).

Grinding Circuit – Milled throughput has improved every month since commissioning. In the six weeks prior to the rain event, the grinding circuit has operated at an average throughput rate of 4,800 tonnes per day being 103% of nameplate design with a maximum up to 5,800tpd. Weather impact on the crushing circuit limited fine ore supply as seen in the above Grinding Throughput and Grinding Rate graphs. The mills are now back milling above nameplate capacity. Management are targeting milling throughput to 2.0Mtpa – 15% above nameplate capacity which has not yet been built into forecast production.

Grade Profile – Grade profile has been ramping up but has been hampered by wet weather and pit conditions and slower mining in both the open pits and underground. The open pit feed grade profile was affected by more lower grade being processed combined with slow mining rates and wet conditions adding to dilution. The reduced development and stoping tonnes coming out of the underground significantly affected average grade profile for the quarter. Mill feed grades are expected to increase significantly during the June quarter due to higher open pit ore grades.

Leach, Elution Circuits and Gold Room – The leach circuit is working very well and total plant recoveries have been strong (93-95%) during the quarter. March production was impacted by a small fire in the gold room which has destroyed two of the three electrowinning cells on 27th March 2017. The fire event damage repair cost is not expected to be significant. The third electrowinning cell was back on line on the 30th March 2017. Management have formulated a plan to have the full elution circuit and gold room back on line within two to three weeks. The impact of the fire is not expected to significantly affect production during April.

Expansion Plans for +200,000ozpa Gold Production

The initial Expansion Study has been delayed slightly whilst management focus on operations. All mining designs have been completed. The initial expansion study is close to being finalised and is expected to be released in the near future. The initial study will set the parameters for the sizing, scope, mining and engineering for the Definitive Expansion Study due later this year. Blackham has completed 37,000m of a 50,000m infill and extension drilling programme around the Wiluna open pits with a view to defining the reserves for the Definitive Expansion Study.