

3 April 2018



**POLO RESOURCES LIMITED**

(“Polo” or the “Company”)

**WEATHERLY INTERNATIONAL PLC – INVESTMENT UPDATE**

**RESCHEDULING OF REPAYMENT**

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, Weatherly International Plc (“Weatherly”) (AIM: WTI) has announced that debt repayments due to Orion Mine Finance (Master) Fund I LP (“Orion”) have been rescheduled).

**Debt financing and rescheduling of repayments**

Weatherly has entered into a further amendment and restatement agreement in relation to its existing facility with Orion (the “Amendment and Restatement Agreement”). The first repayment of Facility B, previously due on 31 March 2018 is now due on 30 June 2018 and payable quarterly until 31 December 2019 with a final payment due on 28 February 2020. The Facility B Final Maturity Date remains unchanged at 28 February 2020. Facility B will be repayable in 8 equal repayments of capital and accrued interest of US\$14.1 million. Repayment of capital and accrued interest of US\$11.0 million under Facilities C and D of the Amended Facility has been deferred until 30 June 2018. Orion has agreed, effective until 30 June 2018, to limit its acceleration and enforcement rights on the terms set out in the Amended Facility.

In addition, the Amendment and Restatement Agreement introduces a new clause that gives Orion approval rights on expenditure outside of the Board’s comprehensive agreed budget and includes several amendments to existing clauses that, over time, will result in Weatherly having reduced flexibility on cash generated from copper sold to Orion, Weatherly’s sole customer, via a cash sweep mechanism and tightened offtake credit arrangements.

Orion is a related party of Weatherly by virtue of Orion being a substantial shareholder in Weatherly and consequently the execution of the Amendment and Restatement Agreement is deemed to be a related party transaction under the AIM Rules for Companies. All directors of Weatherly are independent of Orion and consider, having consulted with Weatherly’s nominated adviser, Strand Hanson, that the terms of the Amendment and Restatement Agreement are fair and reasonable insofar as Weatherly’s shareholders are concerned.

As previously advised on 28 April 2017 as a loan rescheduling fee, Orion has the right (but not the obligation) to buy, if available, up to 700 tonnes of unhedged cathode each month from Weatherly until 30 April 2018 at a price of US\$6,000 per tonne. Orion can only exercise its option to the extent of unhedged tonnes produced in the month. So far this financial year, Orion has not elected to exercise their option.

**Loan draw downs and hedges**

Weatherly advises that it has made no further drawdown on the US\$10 million uncommitted loan from Orion announced on 28 July 2017, with US\$3 million drawn down under that facility to date, and no further hedges of copper or currency.

Weatherly and its subsidiaries are unlikely to generate sufficient surplus cash to meet all loan repayments when due, particularly in the near term. Weatherly continues to positively engage with Orion on the subject.

### **Principal assets**

Weatherly's principal assets are the Tschudi open pit mine producing refined copper cathode and the Otjihase Project which is currently under care and maintenance while in the Project Development stage. The Otjihase Project comprises the Otjihase underground copper mine and concentrator and the Matchless West underground copper mine,

Weatherly also owns 25% of China Africa Resources Namibia (CARN), a private Namibian company which owns the high-grade Berg Aukas underground zinc-lead-vanadium project. On 5 February 2018 it announced that it had signed an agreement to purchase a further 65% of CARN subject to regulatory approval. On 12 December 2017, Weatherly announced that it had entered into an agreement to purchase the Kitumba copper development project in Zambia. The transaction has subsequently been approved by the vendor's shareholders and is only subject to regulatory approval.

The full details of these announcements can be found at <http://weatherlyplc.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](http://www.poloresources.com).