

05 February 2018



POLO RESOURCES LIMITED

(“Polo” or the “Company”)

WEATHERLY INTERNATIONAL PLC – INVESTMENT UPDATE

Polo Resources Limited (AIM: POL), the multi-sector investment company with interests in oil, gold, coal, copper, phosphate, lithium, iron and vanadium, announces that its investee company, Weatherly International Plc (“Weatherly”) (AIM: WTI) has entered into a binding agreement to increase its ownership of China Africa Resources Namibia Limited (“CARN”) from 25% to 90%. CARN is a private Namibian company which owns 100% of the high-grade Berg Aukas underground zinc-lead-vanadium project near Grootfontein.

CARN share purchase

CARN was previously a 100% subsidiary of China Africa Resources plc (“CAR”), formerly admitted to trading on AIM, and now known as Pembridge Resources and listed on the standard list of the LSE.

In December 2016, 100% of the shares in CARN were distributed via a dividend to existing shareholders of CAR. The two largest shareholders of CAR at that stage were Weatherly with 25% and Hong Kong East China Non-Ferrous Mineral Resources Co Ltd (“ECE”) with 65%.

As a result, Weatherly owns 25% of CARN, ECE owns 65% of CARN, and the remaining 10% of CARN is held by the remaining minority shareholders of CAR at the time of the dividend.

Weatherly and ECE have now entered into a binding agreement whereby Weatherly will purchase all of ECE's shares in CARN for cash consideration of US\$600,000 in order to increase Weatherly's ownership of CARN to 90%. The transaction is subject to regulatory approval in Namibia, following which the full consideration will be paid to ECE immediately. Weatherly expects to fund the transaction through operating cash flow but in the event that it cannot, Weatherly has obtained a waiver from Orion Mine Finance to use part of the uncommitted US\$10m loan announced on 28 July 2017 to fund the transaction.

Berg Aukas Project

In 2014, CAR published a PFS for Berg Aukas which indicated the following key parameters.

- JORC-compliant Mineral Resource Estimate of 1.23Mt @ 15.47% Zn, 3.84% Pb and 0.33% V2O5 (Indicated classification) using a cut-off grade of 3.0% Zn
- JORC-compliant Ore Reserve Estimate of 1.7Mt @ 11.16% Zn, 2.76% Pb and 0.23% V2O5 (Probable classification) at a 5% Zn equivalent cut-off
- Post-Tax NPV10 of US\$29m
- Post-Tax IRR of 25%

The 2014 PFS was based on assumed prices of US\$2,000/tonne for zinc and lead. The vanadium is present in the mineral descloisite which has a limited market and the PFS assumed no credit was received for the vanadium content.

Prices for all three of these commodities have improved markedly since that time, and Weatherly has initiated an update of the PFS to examine the impact of these improved prices and updated capital and operating cost estimates on the Project's key financial metrics.

Further announcements on the progress of the share purchase and the PFS update will be made in due course.

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.

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.

For further information, please contact:

Polo Resources Limited +27 (0) 787 312 919

- Kudzayi Denenga, Investor Relations

Allenby Capital Limited (*Nominated adviser & joint broker*) +44 (0)20 3328 5657

- John Depasquale

Liberum Capital (*Broker*) +44 (0) 20 3100 2000

- Henry Freeman

Blytheweigh (*Public relations*) +44 (0) 207 138 3204

- Tim Blythe, Nick Elwes, Camilla Horsfall

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.