

*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.*

15 October 2020



**POLO RESOURCES LIMITED**  
(“Polo” or the “Company”)

## **GCM RESOURCES PLC – INVESTMENT UPDATE**

### **Framework Agreement with NFC**

Polo Resources Limited, the multi-sector investment company with interests in oil, gold, coal, copper, phosphate, lithium, iron and vanadium, notes that its 28.3% investee company GCM Resources plc, an AIM quoted mining and energy company, has announced that, further to its announcements of 11 July 2019, and 13 January 2020, in respect of the memorandum of understanding (“MoU”) with China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (“NFC”) and Power Construction Corporation of China, Ltd. (“PowerChina”), it has now signed a framework agreement with NFC, valid for 12 months, in relation to the company’s world class 572 million tonnes (JORC 2004 compliant) high grade coal resources at the Phulbari Coal and Power Project in North-West Bangladesh (the “Project”) (the “Framework Agreement”).

Pursuant to the Framework Agreement, the Parties have agreed to establish a joint venture entity, which will be responsible for progressing and implementing the Framework Agreement. GCM and NFC shall meet on a regular basis to discuss and arrange works relating the Project, including but not limited to, the definitive feasibility study and financing. It is intended that NFC will acquire an interest of 5% of the joint venture entity from GCM based upon a valuation of the Project to be agreed upon with GCM or its affiliate or investment partner holding the balance of ownership of the Project.

Further salient terms of the Framework Agreement are:

- NFC shall facilitate to arrange financing for the Project on acceptable, market-equivalent terms;
- NFC will in principle be appointed as the exclusive engineering, procurement, construction and commissioning (“EPC”) contractor for the Project and the Parties shall conclude a separate EPC framework agreement in due course; and
- The Parties agreed to enter into a Joint Development Agreement in due course regarding the next step works for developing the Project.

The company is currently in negotiations with PowerChina with the intention to include PowerChina as a party to the Framework Agreement in due course.

The company notes that significant progress has already been made with NFC and PowerChina under the existing MoU and that this Framework Agreement enables the company to continue towards the formation of a strategic partnership to jointly develop the Project.

**The Executive Chairman of GCM, Datuk Michael Tang PJN, stated:**

*“Whilst the Covid-19 pandemic has delayed our progress with the Project, we believe that it has encouraged the Government of Bangladesh to review and enhance its energy security by utilising local fuel sources, following supply and importation disruptions. This supports our strategy to become an impact project for the people of Bangladesh, providing low cost and sustainable electricity in-country, by combining the Company's coal mine proposal with mine mouth power plants generating 6,000MW.*

*“We are also pleased to report that a large part of the process towards finalising our strategic partnership with NFC and PowerChina has been completed. Both NFC and PowerChina are highly respected global companies, and in becoming strategic partners to the Project, is expected to add tremendous strength and credibility to our proposal.*

*“I would like to thank the teams at both NFC and PowerChina for their dedication and continuing support, particularly during this global crisis, towards delivering substantial benefits for the Government of Bangladesh, its people and our stakeholders.”*

The full details of this announcement can be found at <http://www.gcmplc.com/>.

**About GCM Resources**

GCM Resources plc (LON:GCM), the AIM listed mining and energy company, has identified a high quality coal resource of 572 million tonnes (JORC 2004 compliant) at the Phulbari Coal and Power Project (the Project) in north-west Bangladesh.

Utilising the latest highly energy efficient power generating technology the Phulbari coal mine is capable of supporting power plants of up to 6,000MW. GCM is awaiting approval from the Government of Bangladesh to develop the Project. The company has a strategy of combining the company's mine proposal with up to 6,000MW of power generation, together with credible, internationally recognised strategic partners. GCM aims to deliver a practical power solution to provide low cost electricity in the country, in a manner amenable to the Government of Bangladesh.

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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).