

15 March 2019



POLO RESOURCES LIMITED

(“Polo” or the “Company”)

GCM RESOURCES PLC – INVESTMENT UPDATE

Second Joint Venture with POWERCHINA

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 17.83% investee company GCM Resources Plc (“GCM”) (AIM: GCM), has announced that it has agreed a second Joint Venture Agreement (the “Second JV Agreement”) with Power Construction Corporation of China, Ltd (“POWERCHINA”) for the development of an additional 2x1,000MW Coal-Fired Power Plant Project (the “Additional Power Plant”) at the site of the company’s proposed coal mine in North-West Bangladesh. The Second JV Agreement is in addition to the initial Joint Venture agreement signed with POWERCHINA as announced on 17 January 2019 (the “First JV Agreement”).

The Additional Power Plant proposed with POWERCHINA is part of the company’s broader strategy to generate 6,000MW of low-cost electricity for the Bangladesh market utilising domestic coal (the “Project”). The Project, providing an estimated \$14.5bn in foreign investment, is anticipated to be a catalyst for local, regional and national growth.

About POWERCHINA

POWERCHINA is a central government owned key enterprise of the People's Republic of China, and is a world-leading integrated engineering construction group. In 2018, POWERCHINA ranked 182nd among the Fortune Global 500, 2nd among the top 150 global engineering design companies, 41st among the Top 500 Enterprises of China and 6th among the world's 250 largest global contractors, according to Engineering News-Report. POWERCHINA has 373 overseas offices or branches in 116 countries and business operations in 125 countries and regions. POWERCHINA has completed power plants with 242.75GW of installed capacity and has majority ownership of power plants with 14,402.4MW around the world.

In Bangladesh, POWERCHINA is an investor in and contractor for three large projects, namely, two coal fired power plants with a combined capacity of 1,670MW and a joint venture for the Dhaka Elevated Expressway.

Second JV Agreement

The terms of the Second JV Agreement are identical to the First JV Agreement. GCM shall be the lead party on a newly created joint venture company (“JVC2”) to own the Additional Power Plant. Subject to a mutually agreed valuation of the Additional Power Plant and investment appraisal, the company will be entitled to an 80% interest in the Additional Power Plant, with POWERCHINA receiving the remaining 20%. The salient roles and responsibilities of each party are:

- GCM shall be responsible for obtaining the necessary approvals from the Government of Bangladesh and facilitate preparation of the Environmental Impact Assessment;
- POWERCHINA shall be responsible for conducting a Feasibility Study and facilitate the inclusion of the Project as a One Belt, One Road Initiative of the People’s Republic of China; and
- Both parties shall assist in obtaining financing for the development of the Additional Power Plant.

The Second JV Agreement has a term of 12 months, with the intention that it shall be superseded by a definitive shareholder agreement between the parties, but may be terminated earlier under prescribed conditions.

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

"I am delighted that the second the JV Agreement has now been completed and would like to express my sincere gratitude to the POWERCHINA team for their support and demonstration of commitment to the Company's integrated mine and power plant project."

"By finalising this Second JV Agreement, we are now at a stage where partners have been found for all of the proposed power plants of 6,000MW in total, and are parties to joint venture agreements. I anticipate that this will facilitate the submission of the Company's proposal to the Government of Bangladesh, and am pleased with the progress being made."

Mr. Pan Dengyu, Vice President of POWERCHINA Eurasia, stated:

"POWERCHINA is delighted to have signed the Second JV Agreement and look forward to assisting GCM Resources plc in delivering the integrated mine and power plant that is beneficial and acceptable to the Government of Bangladesh. POWERCHINA has made a strong contribution to Bangladesh, having completed 10 infrastructure projects including five power plants totaling US\$750m and 12 current projects amounting to US\$4.6 billion including two coal fired power plants of 1,670MW. As the Additional Power Plant contractor, we are committed to a positive relationship with the community and to construct an environmentally friendly power plant for the benefit of the local people."

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

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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.