

19 May 2017



POLO RESOURCES LIMITED

("Polo" or the "Company")

GCM RESOURCES 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, notes that its investee company, GCM Resources plc (LON: GCM) has issued an update stating that it has entered into a consulting agreement in relation to a proposed 2,000MW coal fired power plant in Bangladesh.

The full unedited text of that announcement is reproduced below.

For further information, please contact:

Polo Resources Limited	+27 (0) 787 312 919
Kudzayi Denenga, Investor Relations	
ZAI Corporate Finance Ltd (<i>nominated adviser</i>)	+44 (0) 20 7060 2220
Ray Zimmerman, John Treacy	
Liberum Capital (<i>broker</i>)	+44 (0) 20 3100 2000
Henry Freeman Blytheweigh (<i>public relations</i>)	+44 (0) 207 138 3204
Tim Blythe, Nick Elwes, Camilla Horsfall	

About the Company

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

GCM Resources plc

("GCM" or the "Company")

(LON:GCM)

2,000MW Power Plant Consulting Agreement

GCM Resources plc (LON:GCM), a resource exploration and development company, is pleased to announce that it has entered into a consulting agreement with Dyani Corporation Limited (泰安利有限公司) ("Consultant", "Dyani"), a

PRC based infrastructure advisory company. The consultancy is in relation to the advancement of the proposed 2,000MW coal fired power plant, which includes the collaboration with China Gezhouba Group International Engineering Co. Ltd ("CGGC"), as previously announced on 11 November 2016.

Since May 2016, the Consultant has provided invaluable introduction, negotiation and advisory services to the Company on a good-faith basis, while terms of a consulting agreement were being discussed. The Consultant was instrumental in the introduction of CGGC, and the subsequent negotiation and finalisation of the Memorandum of Understanding ("MOU") announced on 11 November 2016. The Company would not have been able to engage nor successfully enter into the MOU with CGGC without the assistance of the Consultant. The Company considers that the relationships, skills, knowledge and expertise of the Consultant will continue to be of significant benefit in the negotiations with CGGC and other Chinese enterprises in: undertaking the necessary feasibility and evaluation studies in respect to the proposed power plant; a joint venture investment agreement; and a subsequent Engineering, Procurement, Construction and Commissioning ("EPCC") agreement.

Principal terms of the consulting agreement

Under the terms of the consulting agreement which expires on 30 June 2018, the Consultant shall provide services to assist the Company in:

- Procuring a preliminary feasibility study on the proposed mine mouth power plant at no external cost to GCM;
- Negotiating and entering into a joint venture investment agreement with respect to the proposed mine mouth power plant; and
- Negotiating and entering into an EPCC agreement or Framework EPCC agreement in relation to the proposed mine mouth power plant.

In return for their services, the Consultant shall receive a fee as follows:

- For work performed since May 2016 (evaluating the potential of a mine mouth power plant, advisory, introduction of CGGC, assisting in the negotiations and successful conclusion of the MOU) the Consultant shall receive 3,891,034 new issued shares in the Company;
- A monthly retainer of £20,000 from 1 July 2016, payable quarterly in arrears by the issuance of Company shares at 20 pence per share (43% premium to the Company's closing share price prior to the MOU being agreed and announced) with no other financial payments nor reimbursement of expenses unless agreed by the Company.
- Upon completion of key milestones, the Consultant will receive share-based success fees in lieu of any cash payment. The milestones are as follows:
 - A preliminary feasibility study completed by CGGC (or a large Chinese enterprise acceptable to the Company) on the proposed mine mouth coal power plant of up to 2,000MW at no external cost to GCM, for which the Consultant shall receive a success fee equal to 5% of the issued capital of the Company;
 - GCM and CGGC (or a large Chinese enterprise acceptable to the Company) executing a Framework Agreement in relation to a joint venture investment or similar cooperation with respect to the proposed mine mouth coal power plant, for which the Consultant shall receive a success fee equal to 5% of the issued capital of the Company;
 - GCM and CCGC (or a large Chinese enterprise acceptable to the Company) executing a final joint venture investment or similar cooperation with respect to the proposed mine mouth coal power plant, for which the Consultant shall receive a success fee equal to 8% of the issued capital of the Company; and
 - GCM and CCGC (or a large Chinese enterprise acceptable to the Company) executing a Framework EPCC Agreement, or definitive agreement in relation to an EPCC with respect to the proposed mine mouth coal power plant, for which the Consultant shall receive a success fee equal to 5% of the issued capital of the Company.

Under the consulting agreement all share issues are conditional upon the Consultants' interest, together with the interest of its in-concert parties, remaining below 30% of the Company's issued capital. With the exception of the monthly

retainer, the Consultant is restricted from disposing of any shares received under the consulting agreement for a period of six months from issue.

Each milestone specified in the consulting agreement represents a significant step towards developing the proposed multi-billion dollar power plant at the mine mouth of the Phulbari Coal and Power Project.

The Board is acutely aware of the potential dilution arising from the consulting agreement. As fees for services similar to those provided by the Consultant are typically based upon a percentage rate of the value of the underlying contract, and given that a 2,000MW ultra super critical coal fired plant would cost in the region of \$4 billion, GCM does not have the resources to pay such fees in cash. The Company is fortunate to have found an introducer and consultant of their calibre who is agreeable to be compensated with shares of the Company, recognising a cash payment would be beyond the Company's current ability to fund.

By paying the fees through the issue of shares, the economic interests of the Consultant are aligned to those of the Company. The Company incurs little downside in the event that the milestones are not met. After the MOU was announced the Company saw its intra-day share price reach a four year high at 60.83 pence on 14 November 2016. The Company's Board of Directors ("Board") believes that upon the completion of each milestone, GCM's share price is expected to benefit from a significant re-rating. Accordingly the value of the services provided by the Consultant is expected to far exceed the fee incurred.

The Board has concluded that the consulting agreement is beneficial for GCM.

The Executive Chairman, Datuk Michael Tang PJN, stated: *"I am delighted to engage the services of Dyani and look forward to working with them to drive significant progress in pursuit of our goals.*

Our primary objective remains to deliver substantial coal fired power generation to the people of Bangladesh through the Phulbari Coal and Power Project and a partnership with China Gezhouba Group International Engineering Co. Ltd. will facilitate this.

The economic interests of both Dyani and our Company are aligned: to achieve successful progression of the proposed power plant. I am confident that the consulting agreement will unlock significant value for our shareholders in time to come."

Issue of shares

In accordance with the consulting agreement as described above, the Company has today issued and allotted 900,000 shares to the Consultant in relation to the retainer for the period to 31 March 2017 and 3,891,034 shares to the Consultant in relation to the fee for services in respect to the MOU and other work performed to-date.

Application has been made to The London Stock Exchange for these shares to be admitted to AIM. It is expected that admission will become effective on 24 May 2017. Following admission of these Ordinary Shares, the Company's enlarged issued share capital will comprise 67,652,065 Ordinary Shares with voting rights in the Company. As the Company holds no shares in treasury, this is the total number of the voting rights in the Company which may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest, or a change in the interest, in the share capital of the Company under Chapter 5 of the FCA's Disclosure and Transparency Rules as reflected in the Company's articles of incorporation.

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.