This Annual Report 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.

20 December 2017

POLO RESOURCES LIMITED

("**Polo**" or the "**Company**")

RESULTS FOR THE YEAR ENDED 30 JUNE 2017

Polo Resources Limited (AIM: POL), the multi-sector investment company with interests in oil, gold, coal, copper, phosphate, lithium, iron and vanadium, today announces results for the year ended 30 June 2017.

Financial Summary:

- Combined total of cash, receivables, payables, listed and unlisted equity investments of USD59.91 million as of 15 December 2017 (30 June 2017: USD47.22 million).
- Net Asset Value per share as at 15 December 2017 was approximately 14.31 pence per share (30 June 2017: 11.68 pence per share).
- Listed and unlisted investments at marked to market value, cost and valuation amounted to USD46.81 million (30 June 2017: USD33.22 million).

Investment Highlights:

- Hibiscus Petroleum Berhad (HIBI: MK) (Oil & Gas, UK and Australia) ("Hibiscus")
    - Following the oil price slump in 2015, Hibiscus successfully transitioned from a negative cashflow exploration company to a positive cashflow production company with its acquisition of a 50 per cent interest in the North Sea Anasuria Cluster of producing oil and gas fields. Hibiscus reported six consecutive quarters of profitability and is well positioned for further growth as oil prices recover.
    - The Anasuria Cluster achieved an average daily oil and gas production rate of 3,552 boe (net to Hibiscus) for the 2016-17 financial year. Improved revenue and efficiencies enabled Hibiscus to post a profit after tax of USD24 million (RM106.1 million).
    - Operational improvement program is underway to increase production and availability of supporting facilities (circa 19 years production life).
    - Post Polo's reporting period in November 2017, Hibiscus announced that Petronas unconditionally consented to Hibiscus acquiring Shell's entire 50 per cent participating interests in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract ("PSC"). Shell's interest includes operator responsibilities which would be transferred to Hibiscus.
    - The North Sabah PSC, located in a key hydrocarbon province in Malaysia, comprises four producing oil fields and associated infrastructure being pipelines, the Labuan Crude Oil

Terminal, an onshore processing plant and oil export terminal. The oil field has been producing since 1979 with production rights up to 2040 and is expected to deliver 18,000 barrels/day, providing Hibiscus an immediate second revenue stream.

  - Polo holds a 9.22 per cent equity interest in Hibiscus. On 15 December 2017, Hibiscus' share price closed at MYR0.83 with a market capitalisation of USD314.22 million (MYR/USD4.078).

- Blackham Resources (ASX:BLK) (Gold, Australia) ("Blackham")

  - Blackham successfully achieved first gold pour from the Matilda Gold Project on schedule, in October 2016.

  - In the first quarter of 2017, Matilda encountered above average rainfall, lower than planned mill grades and lower than expected underground ore extraction. Gold production was 39,413oz for the 8.5 months ore processing period, one-third lower than the original mine plan. Nevertheless, management anticipates cashflow positive operations from the fourth quarter with the open pits delivering higher grade ore at lower stripping ratios and the underground mine adopting air leg mining, allowing it to selectively mine narrow and irregular ore zones.

  - Continued exploration drilling into post reporting period saw total resource expanding to 65Mt @ 3.1g/t for 6.5Moz (27 per cent increase).

  - Post Polo's reporting period, in November 2017, Blackham announced refinancing the Matilda - Wiluna Operation with an agreed initial AUD60M Funding Package with Pacific Road Capital and a renounceable entitlement offer to shareholders of two shares for every seven shares held to potentially raise a further AUD12.3M.

  - Independent due diligence confirms the Project's sound technical aspects and supports the Expansion Definitive Feasibility Study to be delivered by June 2018 with the objective of optimising scale of operations and economic performance.

  - Polo holds a combined direct and indirect equity interest of 5.72 per cent in Blackham. On 15 December 2017, Blackham's share price closed at AUD0.105 with a market capitalisation of USD28.9 million (AUD/USD1.305).

- Nimini Holdings Limited (Gold, Sierra Leone) ("Nimini")

  - Nimini's Komahun Gold Project continues to experience difficulty in negotiating an acceptable Mine Development Agreement ("MDA") with the Government of Sierra Leone.

  - Given the lack of progress with the MDA and an impending general election scheduled for March 2018, Nimini adopted a strategy to restrict its activity and minimise costs. Significant steps taken include: termination of all staff; termination of the Operator Agreement with Plinian Capital; and suspension of all government fees pending an acceptable MDA.

  - Polo holds a 90 per cent equity interest in Nimini.

- Weatherly International Plc (AIM: WTI) (Copper, Namibia) ("Weatherly")

  - Weatherly experienced technical and financial setbacks at the Tschudi operation: 2016-17 Financial Year copper cathode production dropped to 14,759 tonnes, 13 per cent below the 17,000 tonnes per annum nameplate production. Financial year C1 unit costs were USD5,288 per tonne, significantly above the C1 USD4,100-4,200 cost guidance and below the full year average copper spot price of $5,384 per tonne.

- Financial predicament caused by copper price falling significantly below the prevailing during funding and construction (project reached commercial production 1st October 2015), and reduced copper production as a result of technical issues being higher than anticipated ground water inflows affecting open pit operations and slower than planned copper leach rates.

- Post Polo's reporting period, Weatherly saw the re-attainment of its nameplate copper cathode production level (expected to be maintained at reduced C1 unit costs) and the recovery of copper price with the November 2017 average being $6,827 per tonne.

- Weatherly secured a further rescheduling of debt repayments due to Orion Mine Finance (Master) Fund I LP ("Orion") and undertook certain copper and currency hedges out to March 2018. Orion is Weatherly's largest shareholder.

- On 12 December 2017, Weatherly announced that it has entered into a binding agreement to purchase 100 per cent of the Kitumba copper project in Zambia from ASX-listed Intrepid Mines Limited for a total consideration of AUD5.75 million. Orion agreed that a recent loan it provided can also be used to fund the acquisition which is still subject to certain conditions precedent including Intrepid shareholder approval and any regulatory approvals required in Zambia and Australia.

- The Kitumba deposit is contained within a granted mining license valid until 2029 and consists of a JORC-compliant measured and indicated resource of 24.9Mt at a copper grade of 2.32 per cent containing 578,000 tonnes of copper. Included within this resource is a JORC-compliant mining reserve of 21.9Mt at a copper grade of 2.20 per cent Cu containing 492,000 tonnes of copper. The wider project area covers more than 900 square kilometres and also includes four exploration licenses.

- The Kitumba acquisition fits Weatherly's strategy for growth through developing and operating profitable medium-scale base metals mines in lower-risk parts of Africa. The Company is confident their experienced mine development and operating team has the capability to rapidly advance the project towards construction and production in the near term.

- Polo holds a 5.2 per cent equity interest in Weatherly. On 15 December 2017, Weatherly's share price closed at GBP0.0104 with a market capitalisation of USD14.82 million (GBP/USD0.745).

- Ironstone Resources Limited (Lithium, Iron Ore, Vanadium, Precious Metals, Canada) ("Ironstone")

  - Ironstone is one of the largest contiguous metallic and industrial mineral permit holders in Alberta, Canada. Mineral holdings include iron and vanadium poly-metallic ore, lithium-rich formation brines and bentonite clays.

  - High-Value Carbonyl Iron Powder and Vanadium Production: following positive results from preliminary testing of Ironstone's ore in early 2017, agreement was made with a Canadian-based firm to develop a 10,000 tonne per year carbonyl iron powder production plant (with a vanadium co-product) in NW Alberta. This firm has a solid track record having developed and globally deployed commercial vapour metal deposition technology to produce high-purity and high-value metal powders used in high-end applications.

  - Lithium Carbonate Production from Formation Brines: following the discovery of excellent development of multi-stacked porous lithium brine-bearing reefs underlying its Clear Hills permits, Ironstone entered into an agreement with a western-Canadian based water processing specialist firm to co-develop the required technology to separate the lithium from the reservoir fluids by adapting their existing patented technology.

  - Polo's interest in Ironstone is currently 19.5 per cent.

- GCM Resources Plc (AIM: GCM) (Coal and Power, Bangladesh) ("GCM")

    - GCM's planned integrated coal mine and mine-mouth power project ("Phulbari Project") in North-West Bangladesh can now support some 6,000MW (previously 4,000MW) based on the latest energy efficient ultra-supercritical power plant technology and a high quality 572Mt (JORC 2004 compliant) thermal and metallurgical coal deposit.

    - GCM is pursuing potential partners who may assist in delivering Government approvals and in November 2016 signed an MOU with the world-renowned China Gezhouba Group International Engineering Co Limited ("CGGC") which includes investment and operation in power and coal mining in its diverse project portfolio.

    - The initial focus under the MOU is mine-mouth power generation and CGGC, with support by GCM's team, delivered a Technical Pre-Feasibility Study for a 2,000MW located at the mine site in July 2017. The next step is for the parties to agree a framework of cooperation for moving forward with the power plant(s) and presenting the Phulbari Project as a major power producer that will meet Bangladesh Government expectations.

    - Post the reporting period, GCM announced in November 2017 that it had successfully raised £2 million (£1.8 million net of costs) at 34.4p per share.

    - Polo holds a 19.84 per cent equity interest in GCM. On 15 December 2017, GCM's share price closed at GBP0.2575 with a market capitalisation of USD30.5 million (GBP/USD0.745).

- Universal Coal Resources Pte Ltd (Coal, Indonesia) ("Universal")

    - Universal is a company incorporated in Singapore, which, in turn, has entered into a conditional agreement to acquire an indirect 75 per cent interest in PT Transcoal Minergy Coal Project ("TCM"), a company incorporated in Indonesia, from a Pan Asia Corporation Ltd. (ASX: PZC) subsidiary ("PZC"). Polo's subsidiary, Polo Investments Limited ("PIL"), holds a secured S$5,000,000 nominal value 15 per cent redeemable convertible note ("Note") from Universal.

    - Pursuant to the terms of the Note, Universal was required to, amongst others matters, deliver the approval of the shareholders of Pan Asia for the disposal of TCM to Universal. As at the date hereof, this approval has not been obtained and a default of the terms of the Note remains. PIL has served notice on Universal and the parties who provided security, namely PZC and Mr. Boelio Muliadi, and is currently in discussions with them on a without prejudice basis for an amicable resolution, in parallel with PZC's endeavours to dispose TCM to an investor.

    - TCM has a mining concession in South Kalimantan Province, Indonesia. Their focus is the development of a two million tonnes per annum underground mine delivering a high quality Bituminous Coal saleable product of some 6,200 kcal/kg specific energy (GAR – Gross as Received). There is the potential to upgrade and increase the current JORC Resource of 129 Mt (measured, indicated and inferred).

- Celamin Holdings NL (ASX: CNL) (Phosphate, Tunisia) ("Celamin")

    - Celamin's wholly-owned subsidiary, Celamin Limited, remains in dispute with its joint venture partner, Tunisian Mining Services ("TMS"), regarding ownership and control of CPSA (the Chaketma Phosphate Project operating company) and is pursuing various legal processes to resolve this situation.

    - Post Polo's reporting period, on 1 December 2017, Celamin announced a favourable arbitration decision and TMS has been ordered to return Celamin's 51 per cent shareholding in CPSA and pay damages and costs in excess of USD4 million. Celamin is also continuing with various legal actions in Tunisia including the criminal proceedings and debt recovery actions previously announced by Celamin.

- In July 2017, Celamin successfully raised AUD1,050,000 through a share placement to its major shareholders, Polo and African Lion 3 Fund, and clients of Patersons Securities Limited.

- The Chaketma Phosphate Project is based on a 130Mt Inferred Resource @ 20.5% P_2O_5. At the time the dispute arose CPSA had been fully funded to complete a DFS.

- Polo holds a 34.14 per cent equity interest in Celamin. Celamin requested a voluntary trading suspension of its shares on the ASX on 4 March 2015 and the suspension remains.

Datuk Michael Tang, Executive Chairman of Polo, said:

"The period under review has seen a renewed confidence returning to the resources sector. 2017 saw a considerable improvement in commodity prices and much greater stability in the oil price. This has undoubtedly enabled companies to act with greater confidence and optimism as they look to deliver their respective strategies.

"We are confident that this trend will continue into the coming year as the demand for commodities remains strong, especially given the global infrastructure and local power requirements combined with a push for a "greener future". The Board is confident that we are well positioned for the coming year and is looking forward to that improved sentiment and the progress that the companies in our portfolio are making."

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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, refer to: www.poloresources.com.

CAUTIONARY STATEMENT

The AIM Market of the London Stock Exchange Plc does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. All statements, other than statements of historical fact, in this news release are forward-looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of Polo. There can be no assurance that such statements will prove to be accurate, achievable or recognizable in the near term.

Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Polo assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

The Company's exploration and investment activities may also be affected by a number of risks, including legal, political, environmental, economic, financing, permitting, commodity, exploration and development and other market risks which are normal to the industry and referenced in greater detail in the Company's 2017 Annual Report for the period ending 30 June 2017, which may be found on the Company's website at profile on www.poloresources.com.

Chairman's Statement

Introduction

The period under review has seen an increased confidence in the sectors that Polo's investments operate.

Commodity prices have been stronger and oil price has been much more stable and reached a level which has seen a considerable increase in both corporate and operational activity. The gold price has also remained strong and the consensus view is this is expected to continue in the year ahead. Those commodities that are required for greener industries (renewables and electric vehicles) are also undoubtedly in demand given the paradigm shift to a cleaner environment and a move away from "ICE" vehicles towards EVs. Whilst the focus may be on "green" there is still an undoubted requirement for "traditional" resources.

Polo's portfolio encompasses an exposure to a selection of these trends.

Portfolio Overview

Hibiscus Petroleum Berhad ("Hibiscus")
Hibiscus has successfully transformed from a cashflow negative exploration company to a cashflow positive production company through its acquisition of a 50 per cent interest in the North Sea Anasuria Cluster of oil and gas fields. The Anasuria asset has allowed Hibiscus to significantly grow its balance sheet, levels of profitability and cash reserves, operational capability, market capitalisation and institutional shareholder base. Importantly, Hibiscus has demonstrated growth at current oil prices (reporting six consecutive quarters of profitability) and is now positioned for much stronger growth as oil prices recover.

Post Polo's reporting period, in December 2017, Hibiscus announced that Petronas unconditionally consented to Hibiscus acquiring Shell's entire 50 per cent participating interest in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract ("PSC"). This transaction is aligned with Hibiscus Petroleum's over-arching growth strategy. In the first instance, it provides Hibiscus with a producing asset, located in a safe jurisdiction, that is cashflow positive at current oil prices and also secures a second, independent cash flow stream. Hibiscus has been able to lock-in the purchase consideration of this proposed transaction at a price that it considers to be affordable. There are multiple production enhancement opportunities that have been identified which have the potential to convert a large proven and probable contingent (2C) resources base into a proven and probable (2P) reserves base. The proposed transaction comes with Operatorship and a partnership with Petronas, a reputable global player and Malaysia's national oil corporation.

In November 2016, our investee company GCM Resources Plc ("GCM") the developer of the integrated Phulbari Coal and power project, located in Bangladesh, signed a Memorandum of Understanding ("MOU") with China Gezhouba Group International Engineering Co. Ltd (CGGCINTL) a specialist engineering company. The MOU sets out the process to investigate the feasibility of a joint venture for the development of mine-mouth coal fired power plants generating up to 2,000 MW at the Phulbari mine development site. CGGC, with support by GCM's team, delivered in July this year a Technical Pre-Feasibility Study for the 2,000MW power plant.

Blackham Resources Limited ("Blackham")
Blackham has made very significant progress achieving first gold pour in October 2016 at its flagship Matilda Gold Project, having taken the Project from completion of a Definitive Feasibility Study ("DFS") in February 2016. Unfortunately, during March 2017 open pit mining operations were severely affected by above average rainfall and in the following months gold production was impacted by lower than planned mill grades and lower than expected underground ore extraction. These technical problems appear to have been resolved in the September 2017 quarter and Blackham expects a return to cashflow positive operations.

Post the Polo reporting period, on 30 August 2017, Blackham announced the successful results of the Expansion Preliminary Feasibility Study ("PFS") which aims to optimise scale of operations, targeting an annual gold production of over 200,000 ozs and delivering improved project economics. In November

2017, Blackham announced it had taken a major step towards completion of refinancing with an agreed initial AUD60M funding package with Pacific Road Capital. Extensive due diligence was carried out as part of the funding, which provides an independent verification that the project remains technically sound.

Celamin Holdings NL ("Celamin")
Celamin remains committed to pursuing a return of its interests in CPSA (the Chaketma Phosphate Project operating company) and the Chaketma Project. Post Polo's reporting period on 1 December 2017 Celamin announced a favourable arbitration decision and its local partner TMS has been ordered to return Celamin's 51 per cent shareholding in CPSA and pay damages and costs in excess of USD4 million. Celamin is also continuing with various legal actions in Tunisia including criminal proceedings and debt recovery. The Chaketma Phosphate Project is a world class asset and Celamin believes it is best placed to manage the Project to ensure that the development proceeds.

Weatherly International Plc ("Weatherly")
Although Weatherly experienced technical and financial setbacks at its Tschudi open pit heap leach SX/EW copper mine during the reporting period which resulted in copper cathode production dropping to 14,759 tonnes (13 per cent below the 17,000 tonnes per annum nameplate production) by the end of the September Quarter 2017 the operation was back on track. The rising copper price is also good news for Weatherly as it will foster a return to profitability and help it service its considerable loan with Orion Mine Finance (Master) Fund I LP. Orion is now Weatherly's largest shareholder and has rescheduled the loan repayment several times.

On 12 December 2017, Weatherly announced that it has entered into a binding agreement to purchase 100 per cent of the Kitumba copper project in Zambia from ASX-listed Intrepid Mines Limited for a total consideration of AUD5.75 million. The acquisition is still subject to certain conditions precedent, however, it does fit well with Weatherly's strategy for growth through developing and operating profitable medium-scale base metals mines in Africa.

The Kitumba project area covers over 900 square kilometres and involves four exploration licences and a mining lease. The JORC-compliant measured and indicated resource is 24.9Mt at a copper grade of 2.32 per cent containing 578,000 tonnes of copper and the current mining reserve is 21.9Mt at a copper grade of 2.20 per cent Cu containing 492,000 tonnes of copper.

Ironstone Resources Ltd ("Ironstone")
Ironstone continues to advance its multi-faceted Clear Hills Project in northwestern Alberta, Canada. In early 2017, Ironstone entered into an agreement with a Canadian-based firm that has developed and globally deployed its commercial vapour metal deposition technology to produce high-purity and high-value metal powders used in high-end applications. The agreement establishes the parameters for both firms to work collaboratively in the development of a 10,000 tonne per year carbonyl iron powder production plant (with a vanadium co-product) in NW Alberta. Carbonyl iron powders, in select markets, can sell for upwards of USD10,000 per tonne.

Ironstone also determined there was excellent development of multi-stacked porous lithium brine-bearing reefs underlying its Clear Hills permits. Key to commercialization of lithium brines is deploying pre-concentration technology and they have entered into an agreement with a western-Canadian based water processing specialist firm to co-develop the required technology to separate the lithium from the reservoir fluids by adapting their existing patented technology.

Polo's current portfolio includes:

Gold assets:
- Blackham Resources Limited (5.72%)
- Nimini Holdings Limited (90%)

Petroleum assets:
- Hibiscus Petroleum Limited (9.22%)
- Regalis Petroleum Limited (12.66%)

Coal and power assets:

- GCM Resources Plc (19.84%)
- Universal Coal Resources Pte Ltd (redeemable convertible note)

Lithium, iron and vanadium:

- Ironstone Resources Limited (19.5%)

Phosphate asset:

- Celamin Holdings NL (34.14%)

Copper asset:

- Weatherly International Plc (5.2%)

Various liquid short-term investments.

Given the market conditions, the Company has amended its investment policy, as we announced in our Annual Report for the year ended June 2016 and which was ratified at the Company's Annual General Meeting in January 2017. The Board believes that growth in Asia and the Pacific will remain strong and that the Company's strategy should be to focus more on direct and indirect investments in this geographical location. This change in investment policy is supported by analyses undertaken by multilateral organisations. As an illustration of this, the Asian Development Bank states that economic activity in Asia will continue to grow, with the region expecting to contribute to about 60 per cent of global growth in the next couple of years. Moving forward, the Company's strategy will be to make direct and indirect investments in a portfolio of businesses and assets with at least the majority of their operations or early stage companies that intend to have at least the majority of their operations in Asia Pacific.

Summary

We are entering the new year with a renewed confidence that the markets in which we and our portfolio companies operate are well placed to ride on the industry trends that are emerging. The Board believes that this optimism will be reflected well in our portfolio's value.

To conclude, I would like to take this opportunity to thank all our shareholders and partners for their continued support.

Datuk Michael Tang, PJN
Executive Chairman
20 December 2017

Investment Update

Gold

Blackham Resources Limited (ASX: BLK)

- Gold, Western Australia
- Coal, Southwest Australia
- Combined direct and indirect 5.72 per cent equity interest

Blackham's principal achievements during the financial year included refurbishing and commissioning Stage 1 of the Wiluna Gold Plant, establishing a new tailings facility; commissioning a new power station; recruiting staff and appointing contractors; and commencing both open pit and underground mining operations and delivering first gold production from the Matilda Gold Project.

Mine Plan

The start-up mine plan focused on free-milling open pit resources providing the base load feed to the Wiluna Gold Plant, augmented by extraction of high grade open pit and shallow underground quartz reef deposits. Continuing exploration and grade control drilling further improved project economics and a revised plan was announced at the end of the September 2016 Quarter:

	DFS	Revised Mine Plan
Mining Inventory[1]	8.3Mt @ 2.9g/t for 767,000oz	9.3Mt @ 2.9g/t for 873,000oz
Reserves[1]	6.1Mt @ 2.5g/t for 481,000oz	7.0Mt @ 2.5g/t for 560,000oz
Initial Life of Mine	7.3 years	8.3 years
Average Annual Production[2]	101,000ozpa	103,000ozpa
C1 Cash Costs[3]	A$850/oz	A$800/oz
ASIC Costs[4]	A$1,160/oz	A$1,120/oz

1) *at A$1,600/oz*
2) *Average production over the first 5 years*
3) *C1 Cash Costs include all mining, processing and general & administration costs over the first 5 years*
4) *ASIC includes C1 Cash Costs plus royalties, refining cost & sustaining capital over the first 5 years*

With gold production planned to commence in the December 2016 Quarter, the 2017 Financial Year production was forecast to be 60,000 to 70,000ozs.

Production Performance

Blackham delivered against all key mining and mineral processing milestones culminating in the first gold pour on schedule in October 2016. Commercial production was officially announced in January 2017 following three months of commissioning and at this juncture the Matilda Gold Project was on track to deliver against plan.

Unfortunately, as series of events in the March 2017 Quarter impacted the operation forcing Blackham to significantly revise down its 2017 Financial Year production guidance to between 40,000 and 45,000ozs (actual 39,413ozs), i.e. a one-third reduction against plan. Contributing factors were:

- Well above average rainfall which severely hampered open pit operations
- Lower than planned mill grades
- Lower than planned underground ore extraction

Lower than expected gold production also hit the Project's financial position with All-in-Sustaining Costs (AISC) blowing out to AUD2,002/oz for the March 2017 Quarter. Although June 2017 Quarter AISC reduced to AUD1,758/oz with a cost reduction trend extending beyond Polo's reporting period through the September 2017 Quarter, the ASIC is still above the AUD1,120/oz mine plan ASIC guidance.

	Dec'16 Qtr	Mar'17 Qtr	Jun'17 Qtr	REPORTING PERIOD TOTAL	Sept '17 Qtr
Total Milled (t)	211,200	338,000	416,100	**965,300**	379,467
Mill Feed Grade (g/t) Au	1.5	1.5	1.3	**1.4**	1.4
Overall Plant Recovery	88.5%	93.7%	91.7%	**91.7%**	91.5%
Gold produced (oz)	**8,773**	**14,920**	**15,720**	**39,413**	**15,619**

In the September 2017 Quarter, Blackham reported that it was expecting lower stripping ratios and mining costs for most of 2018 Financial Year:

- Open pits are expected to be cash flow positive in the December 2017 Quarter driven by a move in to higher grade areas;
- Underground mining at Golden Age is already cash flow positive with a record production for the September 2017 Quarter of 6,302ozs (42,300t @ 4.7g/t) driven by a move from long-hole stoping to air leg mining allowing selective mining in variable orebody conditions. Geological and mining studies are continuing for Golden Age which has been planned to deliver 60kt @ 6.4g/t for 12,000oz over the 2018 Financial Year.

Resource

At the beginning of the current reporting period the Matilda Gold Project Resource stood at 48Mt @ 3.3g/t for 5.1Moz of gold (Measured, Indicated and Inferred). In October 2017 Blackham announced its exploration program had expanded the total resource to 65Mt @ 3.1g/t for 6.5Moz (27 per cent increase).

Expansion Preliminary Feasibility Study (PFS)

Post the Polo reporting period in August 2017 Blackham announced the successful results of the Expansion PFS for the Matilda - Wiluna Gold Operation which is supported by the 6.5Moz expanded resource and builds in the ability to treat both oxide and sulphide ore. The PFS demonstrates robust economics and improved economies of scale supporting the Operation's expansion to over 200,000 oz annual gold productions. The next stage is to complete the Expansion Definitive Feasibility Study ("DFS") by the end of the June 2018 Quarter and it is anticipated this will lead to optimizing scale of operations and economic performance.

Expansion PFS highlights:

INITIAL GOLD PRODUCTION:	**1.47Moz gold over initial 9 years**
OPEN PIT MINING INVENTORY:	**15Mt @ 2.3g/t for 1.1Moz**
UNDERFROUND MINING INVENTORY:	**4Mt @ 4.7g/t for 608koz**
EXPANDED PROCESSING CAPACITY:	**Up to 3.3Mtpa**
GOLD PRODUCTION AVERAGE:	**207,000ozpa (first 6 years after expansion)**
LOM ALL-IN-SUSTAINING COSTS:	**A$1,058/oz of US$836/oz**
PROJECTED CASH FLOWS:	**$571M**
INITIAL CAPEX:	**$114M**
NPV 8%:	**$360M ***
IRR:	**123% ***

* assumes A$1,600/oz gold price before corporate and tax

Funding

In August 2016, Blackham announced that it had raised proceeds of AUD25 million through a placement of 25 million shares at a price of AUD1 per share.

In February 2017, Blackham completed a capital placement of AUD35 million from predominantly institutional investors. The funds were used to accelerate project expansion studies.

Other funding arrangements:

Post the Polo reporting period in August 2017, Blackham announced a funding arrangement which provides an ability to draw up to AUD72M from the Australian Special Opportunity Fund. This facility was designed to allow time for Blackham to choose the optimal funding solution to manage its balance sheet and fund the Expansion DFS.

In November 2017 Blackham announced it had taken a major step towards completion of refinancing the Matilda – Wiluna Operation with an agreed initial AUD60M Funding Package with Pacific Road Capital. This funding arrangement followed an extensive due diligence process by Pacific Road Capital which is a further verification of the Project's technical fundamentals. Blackham is also offering shareholders an opportunity to participate at the Funding Package share price through a renounceable entitlement offer of two shares for every seven shares held to potentially raise a further AUD12.3M.

The full details of Blackham's announcements can be found at http://blackhamresources.com.au/.

Nimini Holdings Limited

- Gold Project, Sierra Leone
- Equity interest: 90 per cent Polo Resources and 10 per cent Plinian Capital

Nimini Holdings Limited's ("Nimini") Komahun Gold Project (the "Project") continues to experience difficulty in negotiating an acceptable Mine Development Agreement ("MDA") with the Government of Sierra Leone ('GoSL"). This situation is exasperated by the fact that the Government and its agencies are now largely focused on the general elections which will be held in Sierra Leone on 7 March 2018 to elect the President, Parliament and local councils.

Given the lack of progress with the MDA and impending election, Nimini has adopted a strategy to restrict its activity and minimise costs until the new Sierra Leone government comes to power. To this end several significant steps have been taken including: the termination of all staff at the end of February this year; the termination of the Operator Agreement with Plinian Capital; suspension of all government fees pending issuing of an acceptable MDA; and Nimini is now represented in Sierra Leone by local Directors appointed to the in-country subsidiaries.

The extensive database for the Project is secure and Nimini is confident of mobilising appropriately experienced personnel when required.

Oil and Gas

Hibiscus Petroleum Berhad (HIBI: MK)

- Oil and Gas, United Kingdom and Australia
- 9.22 per cent equity interest

From its establishment in 2011 Hibiscus has grown to become a successful oil and gas exploration and production company with a healthy balance of producing assets and exploration opportunities. This success is largely due to its management team making the right strategic decisions at the right time. Consider that the company was launched during a period of very high oil prices (exceeding USD100 per Barrel) and as a consequence their early success came in a speculative market which appreciated acquisition of high potential exploration assets and thrived on the news from subsequent exploration programs.

Oil and gas exploration is an expensive undertaking and by the end of 2014 the company found itself facing a serious oil price slump with just one well yielding a discovery out of seven wells drilled in offshore Norway, the Sultanate of Oman and Australia. While the market's appetite for investment in exploration had waned in line with the dropping oil price, Hibiscus also realised it was a prime time to look for production assets at the right price that would not only transform the company from a negative cashflow exploration focus to a positive cashflow production focus but also position it for growth as oil prices recovered.

Hibiscus' joint venture (50:50) with Ping Petroleum Limited in the acquisition of North Sea Anasuria Cluster of oil and gas fields from Shell and Esso subsidiaries was a game changer for the company as can be seen from the financial performance over the past five years. For the 2016-17 financial year, Hibiscus posted a profit after tax of RM106.1 million (USD24 million) driven by improved revenue and efficiencies from the Anasuria.

	Production Bias		Exploration Centric		
(RM Million)	**Year ended 30 June 2017**	**Year ended 30 June 2016**	**18 months ended 30 June 2015**	**9 months ended 31 December 2013**	**Year ended 31 March 2013**
Revenue	261.3	81.7	15.6	13.3	8.5
Profit/(loss) before taxation	62.0	(56.3)	(75.8)	10.7	(3.9)
Profit/(loss) after taxation	106.1	(60.0)	(74.2)	12.1	(4.2)
Shareholders' equity	742.4	584.3	511.7	370.1	241.3
Total assets	1,319,6	1,269.2	551.0	388.7	370.2
Borrowings	-	-	-	-	-
Basic earnings/(loss) per share (sen)	7.51	(5.66)	(9.68)	2.63	(0.96)
Net assets per share (RM)	0.51	0.45	0.55	0.73	0.55

Financial Performance for the past five years.

As a further measure of the transformation consider that Hibiscus' share of the acquisition cost was USD52.5 million with USD30 million being paid by the time of deal closure (March 2016 Quarter) and the remaining $22.5 million paid from internally generated funds and finally settled in the September 2017 Quarter.

Operational Performance

It is recognised that although the Anasuria Cluster still has some 19 years production life remaining, it is nevertheless a mature asset and that it will decline over time. Hibiscus has spent the first year of joint operations focused on understanding the asset and the scope for operational improvement. This resulted in work to improve the availability of supporting facilities, including the floating production storage and offloading vessel (FPSO). Through improved maintenance scheduling the facilities availability is planned to remain above 80 per cent which has largely been the case.

Anasuria Quarterly Production

	Units	Mar*-Jun 2016	Jul-Sept 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul 16 - Jun 17
Av. daily production rate	bbl/day	2,971	3,032	3,934	2,617	3,204	**3,197**
Av. daily gas export rate[1]	boe/day	236	374	474	257	317	**356**
Av. daily oil equivalent production rate	boe/day	3,206	3,406	4,408	2,873	3,522	**3,552**
Total oil sold	bbl	460,000 ^	271,576	298,909	273,419	284,963	**1,128,867**
Total gas exported (sold)	mmscf	172	206	262	138	173	**779**
Av. realised oil price	USD/bbl	40.1	45.2	41.7	52.95	50.46	**-**
Av. gas price	USD/mmbtu	1.2[2]/3.1[3]	1.3[2]/3.3[3]	1.7[2]/4.2[3]	2.1[2]/4.9[3]	1.6[2]/3.9[3]	**-**
Av. OPEX per boe	USD/boe	23.1	18.4	13.0	15.1	13.98	**15.1**
Av. uptime/availability of Anasuria facilities	%	88	82	98	76	84	**85**

Notes:
All figures are net to Anasuria Hibiscus.
* Anasuria Hibiscus took over joint-operatorship from 10 March 2016.
^ Two offtakes in the period March – June 2016.

[1] Conversion rate of 6,000 scf/boe.
[2] For Cook Field.
[3] For Guilemont A, Teal and Teal South Fields.
Source: Anasuria Operating Company Limited. Numbers may be subject to rounding adjustments.
Prices are quoted in United States Dollars.

Prices are quoted in United States Dollars.
Bbl barrel
Boe barrels of oil equivalent
Mmscf million standard cubic feet
Mmbtu million British thermal units

Acquisitions

In October 2016, Hibiscus Petroleum (via its wholly owned subsidiary SEA Hibiscus) entered into a conditional sale and purchase agreement with Shell to acquire Shell's fifty percent interests in: the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract ("PSC"); and the joint operating agreement between Shell and Petronas in relation to the PSC. In May 2017, Hibiscus Petroleum further announced that Petronas had approved the assignment of Shell's interest in the PSC to Hibiscus. However, the approval is subject to certain conditions which are currently under review. Post the reporting period, Hibiscus announced in December 2017 that Petronas had now given its unconditional consent to the assignment of Shell's interest in the PSC to Hibiscus.

The USD25 million acquisition will result in Hibiscus Petroleum being the operator of four producing oil fields offshore Sabah, the Labuan Crude Oil Terminal and all other equipment and assets related to the PSC. The oil field has been producing since 1979, has production rights up to 2040 and will deliver some 18,000 barrels/day.

Exploration Assets - Australia

Given the expected capital requirements for low risk identified projects within the Anasuria Cluster and potentially further capital requirements for execution of projects in North Sabah (subject to Malaysian regulatory approvals), Hibiscus suggests it may defer investment in its offshore Australian assets for a minimum of three years in favour of more attractive investment options within their portfolio of opportunities.

Investment Update

In July 2016, Polo's subsidiary, Polo Investments Limited ("PIL"), increased its interest in Hibiscus to 10.20 per cent (since diluted to 9.22 per cent) via the subscription of 48.9 million new shares at an issue price of MYR0.18 per share. This increase in shareholding makes PIL the second largest shareholder of Hibiscus after the Hibiscus management team.

Regalis Petroleum Limited

- Oil, Republic of Chad
- 12.66 per cent equity interest

Polo's interest in the private and independent oil and gas company, Regalis Petroleum Limited ("Regalis") increased to 13.67 per cent following an in-specie distribution by Polo's 42 per cent owned associate, Signet Petroleum Nigeria Limited and transfers from other Signet shareholders.

Regalis has interests in three highly prospective onshore exploration blocks in the Republic of Chad. Regalis completed a 5,349 kilometres airborne gravity/magnetic survey over Blocks DOA and WD2-2008 which are on trend with existing and recent Glencore/Caracal discoveries.

However, Polo has recorded an impairment charge of USD14.7 million on the carrying value of its investment in Regalis as no further progress has been made by Regalis in pursuing its exploration strategy.

Coal

GCM Resources Plc (AIM: GCM)

- Coal and Power Project, Bangladesh
- 19.84 per cent equity interest

Polo remains a strong supporter of AIM traded GCM Resources Plc ("GCM") which over the reporting period has been working to refine the implementation strategy for the Phulbari Coal and Power Project ("the Project") based on a world class deposit of 572Mt (JORC 2004 compliant) thermal and metallurgical coal in North-West Bangladesh.

In November 2016, GCM signed an MOU with the world-renowned China Gezhouba Group International Engineering Co Limited ("CGGC") which includes investment and operation in power and coal mining in its diverse project portfolio. The initial focus under the MOU is mine-mouth power generation and CGGC, with support by GCM's team, delivered in July this year a Technical Pre-Feasibility Study for a 2,000MW power plant located at the mine site. This power plant capitalises on synergies with mine development and operation and avoids costly coal transport and handling requirements.

While GCM has been waiting for the Bangladesh Government's approval to develop the Project, there have been step-jump improvements in coal-fired power plant efficiency which also add enormous value to the Project and increase benefits for Bangladesh. Utilising this latest energy efficient power plant technology combined with the low cost, high production open pit coal mine, the Project is on track to be a reliable and competitively priced power producer supplying up to 6,000MW to the national grid for over 30 years.

The Bangladesh Government continues to prioritise power generation expansion as it works towards taking the country to middle-income status. It now has a long-term aim of having 57,000MW installed by 2041 with 20,000MW being coal-fired. In this context, the Project at full production and power generation could deliver some 30 per cent of the Government's coal-fired power generation target.

GCM and CGGC are in discussion to agree a framework of cooperation for moving forward with the power plant(s) and presenting the Project as a major power producer that will meet Bangladesh Government expectations.

Funding arrangements:

Post the reporting period, GCM announced in November 2017 that it had successfully raised £2 million (£1.8 million net of costs) at 34.4p per New Ordinary Share in an institutionally underwritten Offer. This resulted in a total of 5,813,953 New Ordinary Shares being allotted to satisfy the Offer which means the Company will have 88,175,650 ordinary shares of 10p each in issue. No Ordinary Shares are held in treasury.

Universal Coal Resources Pte Ltd

- Coal Project, Indonesia
- Redeemable convertible note

In May 2016, Polo's subsidiary, PIL, entered into a secured S$5,000,000 nominal value 15 per cent redeemable convertible note ("Note") with Universal Coal Resources Pte Ltd ("Universal").

Universal is incorporated in Singapore and itself had entered into a conditional agreement to acquire an indirect 75 per cent interest in PT Transcoal Minergy Coal Project ("TCM"), a company incorporated in Indonesia, from a Pan Asia Corporation Ltd. (ASX: PZC) subsidiary.

Universal was targeting a Singapore Stock Exchange Catalist Board listing and the Note entitles Polo to convert the principal outstanding plus any accrued interest into not less than 20 per cent of the share capital of Universal as enlarged by such a conversion at any time up to 18 months from draw-down, or earlier upon the receipt of approval in principle to list. The Note is repayable 18 months from draw-down unless previously converted.

Pursuant to the terms of the Note, a key action for Universal was to obtain approval from Pan Asia's shareholders for the disposal of TCM to Universal within three months from the date of the Note. As at the date hereof, this approval has not been obtained and a default of the terms of the Note remains. PIL has served notice on Universal and the parties who provided security, namely PZC and Mr. Boelio Muliadi, and is currently in discussions with them on a without prejudice basis for an amicable resolution, in parallel with PZC's endeavours to dispose TCM to an investor.

TCM Coal Project:

TCM is the owner of a Production Operation Mining Business Licence for a mining concession in South Kalimantan Province, Indonesia. Their focus is the development of a two million tonnes per annum underground mine delivering a high quality Bituminous Coal saleable product of some 6,200 kcal/kg specific energy (GAR – Gross as Received). The current JORC Resource of 129 Mt (measured, indicated and inferred) has been derived from the southern area of the concession and there is potential to upgrade and increase the resource base through drilling the northern area. TCM's production permit extends to April 2028. Further drilling and a full final feasibility study are required to be completed and forestry approval obtained prior to commencement of mine development. The TCM Coal Project will utilise existing coal transportation infrastructure including a 50 kilometre haul road to the river port at Batulicin, a major coal shipping centre.

Lithium, Iron, Vanadium and Precious Metals

Ironstone Resources Limited

- Lithium, Iron, Vanadium and Precious Metals, Canada
- 19.5 per cent equity interest

Ironstone, headquartered in Calgary, Alberta is in advanced development of its Clear Hills Project located in the Peace Region of NW Alberta. Featuring a large compliant poly-metallic iron and vanadium resource, quality infrastructure, high value commodities, top tier partners and local and institutional support – the Clear Hills Project stands apart from traditional iron concentrate producers.

Ironstone's strategic plan includes a sequence of initiatives to be undertaken to advance its Clear Hills Project through conducting several feasibility study ("FS") stages commencing in late 2018, which are highlighted below.

High-Value Carbonyl Iron Powder and Vanadium Production:

With the global demand for refined metal powders accelerating for use in powder metallurgy, metal injection molding and additive manufacturing (3D printing) applications, Ironstone has determined that targeting this burgeoning market for specialty metal powders offers Ironstone a near-term, low-risk, cash-flowing opportunity with high returns on investment. This will provide Ironstone the necessary runway to continue to develop its longer-term high-strength steel production plans.

After contacting one of the largest and most successful metal refining companies in the world, a sample of Ironstone's Clear Hills poly-metallic ore was sent to their pilot plant for process suitability analysis. The test was positive and in early 2017 Ironstone entered into an agreement with the Canadian-based firm that has developed and globally deployed its commercial vapour metal deposition technology to produce high-purity and high-value metal powders used in high-end applications. The agreement establishes the parameters for both firms to work collaboratively in the development of a 10,000 tonne per year carbonyl iron powder production plant (with a vanadium co-product) in NW Alberta. Carbonyl iron powders, in select markets, can sell for upwards of USD10,000 per tonne.

Upon Ironstone successfully closing its current capital raise programme of up to USD5 million by end of Q4 2017, a comprehensive feasibility study, at an estimated cost of approximately C$3 million, will be conducted during 2018 leading to a final investment decision to build and equip a production facility in 2019 with operations to commence in the latter part of the year.

Lithium Carbonate Production from Formation Brines:

In recognition of Alberta's potential to host significant lithium resources within its Devonian age oil and gas aquifers, Ironstone undertook an extensive evaluation of Alberta's formation waters (brines) lithium potential, while concurrently seeking an effective water-processing technology suited to the extraction of lithium. In early 2017, Ironstone mapped the potential reservoir development underlying its Clear Hills permits and determined that there was excellent development of multi-stacked porous lithium brine-bearing reefs.

In addition, Ironstone entered into an agreement with a western-Canadian based water processing specialist firm to co-develop the required technology to separate the lithium from the produced reservoir fluids by adapting their existing patented technology.

A budget of approximately C$1 million has been established to develop and adapt the existing technology to extract lithium and deploy the technology in a pilot test at a well production facility in Q2 2018. Further development work on refining the lithium extract into the final battery-grade lithium carbonate will also be undertaken during the pilot testing period. Federal and provincial R&D support is anticipated to underwrite up to 50 per cent of the ongoing commercialization development expenses.

Capital Raise Programme:

Ironstone, in conjunction with Golden Gate Asset Management of Vancouver, BC, have commenced a capital raise program targeting a minimum of USD5 million to be raised in late 2017, followed by sourcing up to USD30 million (debt/equity) to support the development of a commercial carbonyl iron powder ("CIP") plant in Clear Hills, Alberta in 2019.

It is anticipated that a new operating subsidiary of Ironstone will be created offering up to 40 per cent equity for an investment of a minimum of USD15 million, which is expected to be non-dilutive to Ironstone's shareholders.

Investment Update

Polo Resources Limited interest in Ironstone is currently 19.5 per cent.

<u>Phosphate</u>

Celamin Holdings NL (ASX: CNL)

- Phosphate, Tunisia
- 34.14 per cent equity interest

Celamin remains in dispute with its joint venture partner, Tunisian Mining Services ("TMS"), regarding ownership and control of CPSA (operating company for the Chaketma Phosphate Project) and is pursuing various legal processes to resolve this situation. The matter which principally involved TMS fraudulently taking Celamin's 51 per cent shareholding in CPSA had been referred to a sole arbitrator appointed by the International Court of Arbitration of the International Chamber of Commerce.

Post the Polo reporting period, Celamin announced on 1 December 2017 that it had received a favourable arbitration decision and TMS has been ordered to return Celamin's 51 per cent shareholding in CPSA and to pay damages and costs in excess of USD4 million.

During the course of the arbitration the sole arbitrator issued interim orders to maintain the status quo pending the arbitrator's final decision. These orders are intended to prevent any disposal of CPSA's shares and assets, including the Chaketma exploration permit, and to ensure that Celamin will be informed of any CPSA activity relating to the Chaketma permit. These interim orders followed an

Emergency Order issued for the same purpose. Celamin has applied for exequatur of these Orders with the Court of Appeal of Tunis and these proceedings are continuing.

In April 2017, Celamin announced that it was successful in obtaining a conservatory seizure order from the President of the Tribunal of First Instance of Tunisia against all shares that TMS owns in the capital of CPSA, (being the 49 per cent of CPSA previously held by TMS as well as the 51 per cent fraudulently taken from Celamin by TMS), remains in place. This Seizure Order prevents TMS from dealing with any of these shares and subject to any application by TMS for removal of the order, will remain in place until enforcement of the final arbitral award.

Celamin is also continuing with various legal actions in Tunisia including the criminal proceedings and debt recovery actions as previously announced by Celamin. The full details of the dispute can be found at www.celaminnl.com.au.

The Chaketma Phosphate Project is based on a 130Mt Inferred Resource @ 20.5% P_2O_5. Just prior to the dispute CPSA was well funded and gearing up for additional exploration drilling to refine the resource and a Definitive Feasibility Study.

Other Activities:

Celamin's Board continued to review new project opportunities, including new projects in Tunisia, and potential transactions with a view to identifying projects and/or transactions that have the ability to add shareholder value. As a result, Celamin has secured an exclusive option on two exploration permits in South-West Tunisia prospective for potash and salt and has also made other applications for base metal exploration permits.

Funding arrangements:

On 30 May 2017, Celamin announced a capital raising for a total AUD1,050,000 through share placement with options split three ways to raise AUD350,000 each from its major shareholders Polo and African Lion 3, and sophisticated investor clients of Patersons Securities Limited. The raising was completed in July 2017 and full details can be found on the Celamin website.

<u>Copper</u>

Weatherly International Plc (AIM; WTI)

- Copper, Namibia
- 5.2 per cent equity interest

Weatherly International Plc's ("Weatherly") core asset is the Tschudi open pit heap leach SX/EW copper mine. Production at its Otjihase and Matchless underground mines ("Central Operations") has been suspended from 2015 when the copper price dropped below USD5,000/tonne. The Central Operations have potential as copper price recovers but remain in project development status. Tschudi open pit operation is based on:

  - Resources (JORC): 49.7Mt at 0.8% Cu (0.3% Cu cut off)
  - Open Pit Reserve: 22.7Mt at 0.85% Cu
  - Mine life: 9 years
  - Processing rate: 2.6MT/year ore
  - Mining Strip Ratio: 6.3 to 1 (average over life of mine)
  - Plant Design Capacity: 17,000 tonnes per annum copper cathode

During the June 2016 Quarter the Tschudi open pit mine encountered unexpected excessive groundwater inflows that negatively impacted mine production and Weatherly's ability to maintain scheduled copper production rates. This serious problem was brought under control during the reporting period. Then in the March 2017 Quarter Weatherly advised that cathode production had dropped to 24 per cent below nameplate due to slower than expected leach rates for ore stacked during the late 2016 to early 2017 period. This resulted in the financial year ending June 2017 production guidance being revised down to 14,500 to 15,000 tonnes of copper cathode.

Tschudi Production Performance

For the full 2017 Financial Year, cathode production was 14,759 tonnes, within the revised guidance range but 13 per cent below the 17,000 tonnes per annum nameplate for Tschudi. Financial year C1 unit costs were USD5,288 per tonne, within the revised guidance range of USD5,250 to $5,350 per tonne and the full year average copper spot price was $5,384 per tonne.

PRODUCTION	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr	Jun-17 Qtr	2016-17 TOTAL	Sep-17 Qtr
Total Ore + Waste (kt)	5,703	5,546	5,117	6,051	**22,417**	6,314
Ore Tonnes stacked (kt)	670	702	563	726	**2,661**	666
Ore Stacked grade (%)	0.89	0.88	0.86	0.99	**0.91**	0.78
Copper Cathode (t)	3,641	4,496	3,236	3,386	**14,759**	4,105
C1 Cost (US$/t)	5,073	4,222	5,907	6,344	**5,288**	5,402
Av. Spot Copper Price (US$/t)	4,775	5,278	5,838	5,668	**5,384**	6,351

Weatherly continues to experience lower heap leach rates than were anticipated in the Bankable Feasibility Study and continues to compensate for this by exposing ore faster in the pit and stacking higher volumes of copper metal in ore, which together result in a higher C1 cost in the short to medium term. Weatherly continues to extend the heap leach pad area to provide additional time for the leaching of copper and has now completed the construction of four new leach pads. Investigations continue into how leach rates can be improved are being assisted by an independent consultant.

Meanwhile copper cathode production levels improved through the September 2017 Quarter, leading to a reduction in C1 unit costs of production. Nameplate production levels were re-attained by the end of the Quarter, and are expected to be maintained going forward.

Open pit groundwater inflows will continue to increase as pit mining proceeds to deeper elevations, but the flow rates are being managed adequately to ensure a reliable supply of ore for stacking.

Financing:

While C1 net direct cash cost and copper spot price give an indication of performance, the Weatherly balance sheet is far more complex with the most significant issue being an inability to service a debt of some USD90 million. This predicament is a direct result of reduced revenues driven by: falling copper price which at its low point (January 2016) was 30 per cent below that prevailing during funding and construction (Project reached Commercial Production 1st October 2015); and reduced copper production driven by the recent technical problems being higher than anticipated ground water inflows affecting open pit operations and more recently slower than planned copper leach rates.

Post the Polo reporting period in August 2017 Weatherly announced that debt repayments due to Orion Mine Finance (Master) Fund I LP ("Orion") have been rescheduled and that it has certain copper and currency hedges in place out to March 2018. Orion is Weatherly's the largest shareholder and holds 24.6 per cent of the stock and has rescheduled the debt several times.

On 12 December 2017, Weatherly announced that it has entered into a binding agreement to purchase 100 per cent of the Kitumba copper project in Zambia from ASX-listed Intrepid Mines Limited ("Intrepid").

The key terms of the transaction are up-front consideration of AUD 4.75 million in cash upon transaction completion, plus deferred consideration of AUD 0.5 million upon a Decision to Mine and a further AU$ 0.5 million upon achieving Commercial Production. The transaction is subject to certain conditions precedent including Intrepid shareholder approval and any regulatory approvals required in Zambia and Australia. Weatherly has obtained a waiver from Orion Mine Finance to use part of the uncommitted USD10m loan announced on 28 July 2017 to fund the transaction to the extent that Weatherly is unable to fund it through operating cash flows.

The advanced Kitumba copper development project hosts a JORC-compliant measured and indicated resource of 24.9Mt at a copper grade of 2.32 per cent containing 578,000 tonnes of copper. Included within this resource is a JORC-compliant reserve of 21.9Mt at a copper grade of 2.20 per cent Cu containing 492,000 tonnes of copper.

The Kitumba deposit is contained within a granted mining license valid until 2029, while the wider project area also includes four exploration licenses, with a combined current mining and exploration tenure area covering more than 900 square kilometres.

To date an estimated USD30 million or more has been spent on exploration, drilling, metallurgical test work and other studies for Kitumba, and the purchase includes a fully established exploration camp on site. The development of the Kitumba mine is also already environmentally permitted based on the development plan proposed by Intrepid.

This transaction is consistent with Weatherly's stated strategy of pursuing growth through developing and operating profitable medium-scale base metals mines in lower-risk parts of Africa.

The Kitumba project is an excellent fit for the project development and operational mining capabilities of Weatherly in the Southern African region, and Weatherly is confident in its ability to rapidly advance the project towards construction and production in the near term.

Zambia is a well-established mining jurisdiction and is the second-largest producer of copper in Africa. Weatherly has solid capabilities built up while operating in adjacent Namibia for over ten years, and members of the Board and senior management team have extensive experience working in the Zambian mining sector. As a result, Weatherly is well placed to work constructively and transparently with the Zambian authorities to maximise the benefits of the Kitumba deposit for all stakeholders.

It is encouraging that Weatherly is making progress in solving the operational problems and that the spot copper price is over USD6,700/tonne and predicted to continue to rise, however, the company still maintains its position that it is unlikely to generate sufficient surplus cash to meet all loan repayments when due and that it will continue to work closely with Orion. More details on the technical and financial issues can be found at: http://weatherlyplc.com/.

Financial Review

The purpose of this review is to provide a further analysis of the Group's consolidated 2017 results and the main factors that affected this financial performance. The Financial Review should be read in conjunction with the financial statements and associated notes.

During the year, the Group recorded a loss on ordinary activities after taxation of USD6.45 million (2016: loss of USD31.2 million). This loss was mainly attributable to a charge of USD2.48 million against the evaluation and exploration assets of its 90 per cent owned Nimini Gold project in Sierra Leona. For the year under review total impairment of USD0.325 million was written down against Regalis Petroleum Limited and Verolube Inc. It should be noted that this figure is not necessarily indicative of a weakening financial performance as such variances are in the very nature of a natural resource investment company whose strategic focus extends beyond a single reporting year.

Polo reported a decrease of 21.9 per cent in its Group administrative expenses to USD2.28 million (2016: USD2.92 million). This is reflective of Polo's focus on prudent financial management and use of available resources during the current difficult economic environment, and will continue with this approach in the current year to 30 June 2018.

Basic loss per share for the year ended 30 June 2017 was USD2.07 cents (2016: basic loss per share of USD10.64 cents).

Focus sectors for our portfolio of investments in this reporting period centre largely on investments across the oil & gas, gold, and coal sectors. In the 2016/17 financial year, the Board has continued to support the on-going development of its key assets and acquired new investments.

In July 2016, Polo Investments Limited, a wholly owned subsidiary of Polo increased its stake in Hibiscus Petroleum Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad to 10.20 per cent via the subscription of 48.9 million new shares at an issue price of MYR0.18 per share. As of 15 December 2017, the share price of Hibiscus closed at MYR0.83.

Also in July 2016, Polo has accepted a cash offer by International Petroleum Holding B.V. to acquire its 1.95 per cent equity interest consisting of 5.5 million ordinary shares in Equus Petroleum plc. The offer has resulted in a net cash payment to Polo of approximately CAD$1.37 million and a loss on disposal of US$4,000.

In May 2017, Celamin announced an equity fund raising of up to 1,050 million ordinary fully paid shares at an issue price of AUD0.001 with attaching three year options on a 1:2 basis exercisable at AUD0.002 each to raise AUD1,050,000. Polo participated in the share placement to subscribe for 350,000,000 shares and 175,000,000 options for AUD350,000. The raising was completed in July 2017.

The Board of Polo is still sensitive to the impact of current market sentiment towards junior exploration-stage resource companies and of the correction in the prices of many commodities, such as gold, copper and oil during the reporting period under review. Whilst these factors have combined to create a difficult operating environment across the board for junior resource companies, Polo's strategy of developing a broad-based portfolio of projects and investments capable of delivering positive shareholder returns has enabled the Company to retain the financial flexibility to optimise asset value over the medium and longer-terms.

Financial Position

The Directors have reviewed the Group's budgets for 2018, as well as longer-term financial cash flow projections and have considered a range of different scenarios together with their associated risks and uncertainties, and the impact of these scenarios on the Group's cash balances. Additionally, the Directors have assessed the likelihood of future funding requirements. Based on these activities, the Directors are satisfied that the Group maintains a healthy financial position from the date of the signing of these financial statements, enabling Polo to take a flexible approach to the acquisition and disposal of investments.

As at 15 December 2017, the Group had a net position of cash, receivables and short term investments of USD16.33 million (30 June 2017: USD17.23 million). Listed and unlisted investments at marked to market value, cost and valuation amounted to USD46.81 million (30 June 2017: USD33.22 million). The combined total of cash, receivables, payables, listed and unlisted investments was USD59.91 million as of 15 December 2017 (30 June 2017: USD47.22 million) which is equivalent to a Net Asset value of approximately 14.31 pence per Polo share (30 June 2017: 11.68 pence per share).

Outlook

Polo continues to investigate potential investments and will allocate financial resources to investments on the basis of anticipated future returns.

Although all natural resource investments remain vulnerable to near-term market instabilities, I remain positive about the longer-term fundamentals of the resource sector and am particularly focused on achieving near-term returns which in turn will strengthen our financial position. The Company will continue to keep shareholders advised as and when developments are confirmed.

I would like to thank all our shareholders, partners and advisers for their continuous and unwavering support.

Datuk Michael Tang, PJN
Executive Chairman

Group Statement of Comprehensive Income
for the year ended 30 June 2017

	Year ended 30 June 2017 $ 000's	Year ended 30 June 2016 $ 000's
(Loss)/gain on sale of investments	**(4)**	25
Investment income	**59**	900
Impairment of AFS investments	**(325)**	(15,685)
Administrative & Exploration expenses	**(2,284)**	(2,917)
Share options expensed	**-**	(727)
Expensed exploration costs	**(454)**	(1,275)
Impairment of exploration and evaluation costs	**(2,026)**	(13,000)
Group operating (loss)	**(5,034)**	(32,679)
Share of associates results	**(1,799)**	(822)
Negative goodwill written-off	**-**	1,615
Finance revenue	**383**	692
Other income	**-**	37
(Loss) before taxation	**(6,450)**	(31,157)
Income tax expense	**-**	-
Retained (loss) for the year	**(6,450)**	(31,157)
Other comprehensive income		
Gain on market value revaluation of available for sale investments	**1,713**	2,289
Currency translation differences	**(559)**	(162)
Other comprehensive income for the year net of taxation	**1,154**	2,127
Total comprehensive income for the year	**(5,296)**	(29,030)
Retained (loss) for the year attributable to:		
Equity holders of the parent	**(6,202)**	(29,723)
Non-controlling interests	**(248)**	(1,434)
	(6,450)	(31,157)
Total comprehensive income for the year attributable to:		
Equity holders of the parent	**(5,009)**	(27,596)
Non-controlling interests	**(287)**	(1,434)
	(5,296)	(29,030)
(Loss) per share (US cents)		
Basic	**(2.07)**	(10.64)
Diluted	**(2.06)**	(10.49)

Group Statement of Financial Position
as at 30 June 2017

	30 June 2017		30 June 2016	
	$ 000's	**$ 000's**	$ 000's	$ 000's
ASSETS				
Non-current assets				
Tangible assets	**2,475**		4,598	
Interest in associates	**3,084**		4,883	
Available for sale investments	**27,662**		25,452	
Trade and other receivables	**3,757**		3,603	
Total non-current assets		**36,978**		38,536
Current assets				
Trade and other receivables	**3,961**		2,449	
Available for sale investments	**5,501**		5,167	
Cash and cash equivalents	**4,010**		9,615	
Total current assets		**13,472**		17,231
TOTAL ASSETS		**50,450**		55,767
LIABILITIES				
Current liabilities				
Trade and other payables	**(3,230)**		(3,251)	
TOTAL LIABILITIES		**(3,230)**		(3,251)
NET ASSETS		**47,220**		52,516
EQUITY				
Equity contribution	**306,714**		306,714	
Retained earnings	**(273,073)**		(267,325)	
Available for sale investment reserve	**(682)**		(2,434)	
Foreign exchange reserve	**17,127**		17,686	
Share based payments reserve	**454**		908	
		50,540		55,549
Non-controlling interest		**(3,320)**		(3,033)
TOTAL EQUITY		**47,220**		52,516

These financial statements were approved by the Board of Directors on 20 December 2017 and signed on its behalf by:

Datuk Michael Tang
EXECUTIVE CHAIRMAN

Kian Meng Cheah
NON-EXECUTIVE DIRECTOR

Group Statement of Cash Flows for the year ended 30 June 2017

	Year ended 30 June 2017 $ 000's	Year ended 30 June 2016 $ 000's
Cash flows from operating activities		
Operating (loss)	**(5,034)**	(32,679)
(Increase) in trade and other receivables	**(1,512)**	(1,442)
Increase/(decrease) in trade and other payables	**(21)**	1
(Increase) in available for sale investments	**(1,608)**	(8,771)
Foreign exchange (gain)/loss	**(11)**	(5)
Share options expensed	**-**	727
Impairment of AFS investments	**325**	15,685
Loss on sale of PPE	**51**	-
Depreciation & impairment	**2,026**	13,731
Net cash (outflow) from operating activities	**(5,784)**	(12,753)
Cash flows from investing activities		
Finance revenue	**383**	692
Other income	**-**	37
Taxation paid	**-**	-
Loan (advanced) to third party	**(154)**	(131)
Net cash inflow from investing activities	**229**	598
Cash flows from financing activities		
Issue of ordinary share capital	**-**	-
Net cash inflow from financing activities	**-**	-
Net (decrease) in cash and cash equivalents	**(5,555)**	(12,155)
Cash and cash equivalents at beginning of year	**9,615**	21,550
Exchange gain on cash and cash equivalents	**(50)**	220
Cash and cash equivalents at end of year	**4,010**	9,615

Group Statement of Changes in Equity
for the year ended 30 June 2017

	Equity contribution	Available for sale investment reserve	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total	Non-controlling interest	Total equity
Group	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
As at 1 July 2015	**303,059**	**(4,723)**	**17,848**	**2,413**	**(239,834)**	**78,763**	**(1,715)**	**77,048**
(Loss) for the year	-	-	-	-	(29,723)	**(29,723)**	**(1,434)**	**(31,157)**
Gain on market value revaluation of available for sale investments	-	2,289	-	-	-	**2,289**	**-**	**2,289**
Currency translation differences	-	-	(162)	-	-	**(162)**	**-**	**(162)**
Total comprehensive income	**-**	**2,289**	**(162)**	**-**	**(29,723)**	**(27,596)**	**(1,434)**	**(29,030)**
Share based payments	-	-	-	727	-	**727**	**-**	**727**
Share options expired	-	-	-	(2,232)	2,232	**-**	**-**	**-**
Shares issued	3,655	-	-	-	-	**3,655**	**-**	**3,655**
Total contributions by and distributions to owners of the Company	-	-	-	(1,505)	2,232	**4,382**	**-**	**4,382**
Non-controlling interest arising on business combination	-	-	-	-	-	**-**	**116**	**116**
As at 30 June 2016	**306,714**	**(2,434)**	**17,686**	**908**	**(267,325)**	**55,549**	**(3,033)**	**52,516**
(Loss) for the year	-	-	-	-	(6,202)	**(6,202)**	**(248)**	**(6,450)**
Gain on market value revaluation of available for sale investments	-	1,752	-	-	-	**1,752**	**(39)**	**1,713**
Currency translation differences	-	-	(559)	-	-	**(559)**	**-**	**(559)**
Total comprehensive income	**-**	**1,752**	**(559)**	**-**	**(6,202)**	**(5,009)**	**(287)**	**(5,296)**
Share options expired	-	-	-	(454)	454	**-**	**-**	**-**
Total contributions by and distributions to owners of the Company	-	-	-	(454)	454	**-**	**-**	**-**
As at 30 June 2017	**306,714**	**(682)**	**17,127**	**454**	**(273,073)**	**50,540**	**(3,320)**	**47,220**