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.

20 December 2019

Polo Resources

POLO RESOURCES LIMITED
("**Polo**" or the "**Company**")

RESULTS FOR THE YEAR ENDED 30 JUNE 2019

Polo Resources Limited (AIM: POL), the multi-sector investment company with interests in oil, gold, coal, copper, phosphate, lithium, iron and vanadium, today announces its audited results for the year ended 30 June 2019.

Financial Summary:

- Group net assets as at 30 June 2019 were USD60.16 million (30 June 2018: USD60.28 million).
- Combined total of cash, receivables, payables, listed and unlisted equity investments of USD53.80 million as at 13 December 2019 (30 June 2019: USD60.16 million).
- Net Asset Value per share as at 13 December 2019 were approximately 13.07 pence per share (30 June 2019: 15.19 pence per share).
- Listed and unlisted investments at marked to market value, cost and valuation amounted to USD46.99 million as of 13 December 2019 (30 June 2019: USD52.62 million).

Chairman's Statement

Introduction

Although several investment opportunities were examined during the period under review, the Polo Board has taken the decision to focus on supporting our current investee companies. This was deemed to be a prudent approach given the lack of suitable investment opportunities and the erratic behaviour of commodity prices driven by a world economy that was suffering the impact of the on-going US-China trade war. Whilst talks aimed at resolving the trade war seem to have recently been successful and it now appears a trade agreement between the US and China has been reached, the Polo Board remains particularly cautious in assessing new investment opportunities, until such time global markets have settled, the impact of the US and China trade deal has stabilised and tariff rates on commodities become certain.

During our reporting period we have seen three of our investee companies Hibiscus Petroleum Berhad, GCM Resources Plc and Celamin Holdings Limited make significant value accretive progress, which we consider will be able to make positive growth contributions to the net asset value of our investment portfolio as we move forward. However, whilst we have seen success in one area of our portfolio, we have seen our portfolio impaired by the falling into administration of Weatherly International Plc, difficulties in recovering debt in regards to Nimini Holdings Limited and the difficulties Blackham Resources Limited has been experiencing as it attempts to expand its gold production and reduce its AISC (all-in sustaining cost).

Portfolio Overview

Hibiscus Petroleum Berhad ("Hibiscus")

Hibiscus is Malaysia's first listed independent oil and gas exploration and production company. The company's significant cashflow and profitability is based on 50% ownership of the Anasuria Cluster of producing wells in the U.K North Sea ("Anasuria") and its 50% participating interest in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract ("North Sabah PSC"). It's excellent track record as operator for these production joint-ventures is reflected in it receiving safety performance awards for both Anasuria and North Sabah PSC. The company also received the award for "Highest returns to shareholders over three years" at the Edge Billion Ringgit Club Corporate Awards 2019.

Careful management of costs to maintain low operational expenditure and the delivery of production enhancement projects have been key towards obtaining a low unit production cost structure. In addition, the company continues to operate debt-free.

The company continues to operate debt-free with its activities and acquisitions to-date funded through a combination of equity and internally generated funds. It has been foreshadowed that in the near future it shall undertake further fundraising activities to ensure smooth execution of projects and opportunities aimed at further enhancing production and value.

Summary of Activities

Significant activities in the 2018-19 period included: i) Completion of the acquisition of a 50% participating interest in North Sabah PSC and assumption of operating responsibility; ii) Technical work at Anasuria increased the volume of reserves, and the company signed deals for a side-track well and a water injection well both aimed at maximising recovery; iii) The acquisition of 50% participating interest in the Marigold and Sunflower Blocks also located in the U.K North Sea. These blocks are discovered fields which the company aims to bring to First Oil by 2023 and describes as a "game-changer" and iv) Post the reporting period, the acquisition of 100% interest in Blocks 15/18d and 15/19b also located in the North Sea. The blocks include the Crown Discovery which consists of 2C contingent resources that range between 4 to 8 million barrels of oil, subject to an independent 3rd party expert assessment.

Exploration - Australia

Hibiscus operates the VIC/L31 production licence and VIC/P57 exploration licence in Australia's Bass Strait. The company has also recently exercised an option to acquire non-operated interests in the VIC/P74 exploration licence in the same area. With the West Seahorse discovered oilfield within the VIC/L31 production licence and exciting exploration opportunities in these licences, Australia holds significant potential for Hibiscus' future development plans.

Financial Performance

Hibiscus' financial performance was bolstered by having its first full year contribution from the North Sabah PSC asset and higher overall production from Anasuria. For the financial year ended 30 June 2019 ("FY2019"), revenue was RM988.3 million (USD236.86 million), representing an increase of 151% compared to that achieved in FY2018. Net cash generated from operating activities in FY2019 was RM496.1 million (USD118.9 million) and Profit after taxation ("PAT") was RM230.0 million (USD 55 million), up 13%.

Despite volatility in the price of crude oil which fluctuated between a high of USD86.29 per barrel to a low of USD50.47 per barrel, Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") for FY2019 surged to RM549.4 million (USD142.45 million), an increase of 64% when compared to that for FY2018. This was underpinned by the sale of some 3.3 MMbbls of crude oil across both assets against a production target of between 2.7 and 3.0 MMbbls. It is noted that recent capital expenditure projects not only successfully led to increased production, but also improved geological and reservoir understanding.

Post the reporting period, the quarterly financial results for the period ended 30 September 2019 ("Q1 FY2020"), showed a revenue and PAT of RM159.3 million (USD38.21 million) and RM16.2 million (USD3.89 million) respectively, from the sale of 0.6 MMbbls of oil. EBITDA for the period was RM77.1m (USD18.49 million) with a strong EBITDA margin of 48.4%. Overall, despite a softer oil market and the effects of higher maintenance activities in the quarter, Hibiscus remained profitable.

Hibiscus remains debt-free, and its unrestricted cash balance was RM179.4m (USD43.03m) as at 30 September 2019.

GCM Resources Plc ("GCM")
GCM is on track to provide the cheapest long-term large-scale coal-fired electricity supply in Bangladesh and the country's position regarding coal-fired power was reinforced recently by the Bangladesh Government Power Secretary in an interview with the Thomson Reuters Foundation. He stated that Bangladesh's economy is growing fast and it needs energy and that they had no choice but to utilise coal for power generation.

The Phulbari coal mine's Scheme of Development remains a key driver, however, the ultimate deliverable requires the mine being captive to 6,000 MW of state-of-the-art highly energy efficient Ultra-Supercritical power plants ("the Project"). The mine's viability would then become dependent on coal supply agreements with these power plants and vice-versa, the power plants' viability is linked to the success of the coal mining operation. GCM already has in place strict environmental management plans for the planned mining operation, and has stated it will ensure these power plants also operate to the highest possible environmental standards and in particular that they will avail of leading-edge flue gas cleaning systems to protect air quality and cooling systems that minimise water consumption.

GCM had previously reported signing a Joint Development Framework Agreement and Contract Framework Agreement with China Gezhouba Group International Engineering Co Limited ("CGGC") for constructing of one of the required three power plant phases (each being 2,000MW mine-mouth power generation) to be implemented over a ten-year period matching the mine's coal production ramp-up to 15 mtpa name-plate production.

During the reporting year GCM addressed the shortfall in power generation necessary to underpin the captive coal mine's viability by entering into Joint Venture Agreements ("JVA's") with Power Construction Corporation of China Ltd ("PowerChina"), another China state-owned key enterprise that is a world-renowned megacorporation spanning engineering construction and power generation.

The JVA's were the culmination of a Project site visit with senior PowerChina officials, their completion of a prefeasibility study and due diligence for 4,000MW mine-mouth power generation. Working under the JVA's GCM and PowerChina have prepared the detailed proposals for the 4,000MW Phases I and II power plants, complete with a competitive power tariff.

In order to complete its proposal for the Government of Bangladesh the company is also seeking to bring in a strategic mine development partner. To this end in July 2019, post the reporting period, GCM signed an MOU with both China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. ("NFC") and PowerChina focussed on the mine development. NFC are in the process of completing their due diligence studies. Once these studies are completed, the parties will move to firm up the business relationship and submit the comprehensive captive coal mine and power plants proposal to the Government.

The arrangements with PowerChina also carry an obligation to facilitate the inclusion of the Project in the One Belt, One Road Initiative of the People's Republic of China, and assist with financing the power plants.

Celamin Holdings Limited ("Celamin")
Celamin's goal is development of Chaketma Phosphate Project ("Chaketma") in Tunisia and exploration and evaluation work on the newly granted Djebba and Zeflana zinc permits, also in Tunisia. However, the company's principal activity this financial year has been legal action against joint venture partner TMS to recover its shareholding in the joint venture company CPSA and to establish long-term ownership and control of CPSA.

On 5 April 2019 the Court of Appeal in Tunisia made orders in favour of Celamin enforcing the International Arbitration Final Award ordering TMS to return Celamin's 51% interest in CPSA and pay damages and costs plus interest. TMS' appeal against this decision was rejected by the Tunisian Court of Cassation, refer to the company's announcement of 23 September 2019 which also noted damages amounted to circa USD4.4 million.

There are no further legal avenues available to TMS to otherwise delay the return of the company's interest in Chaketma or payment of damages. The company has initiated measures to ensure compliance with the court orders, including a move to seize TMS assets, and is hopeful the process will also result in it securing 100% of Chaketma.

The company has subsequently recommenced discussions with contractors aimed at completing the Chaketma Definitive Feasibility Study encompassing a Stage 1: Rock Phosphate Concentrate Production and a Stage 2: Integrated Fertilizer/Phosphoric Acid Project.

PRISM Diversified Ltd ("PRISM")
PRISM Diversified Ltd. ("PRISM"), formerly Ironstone Resources Ltd., is a private Canadian corporation positioning itself to become a leading, vertically integrated supplier of specialty metals and metallic powders used in many fast growing high-tech and industrial manufacturing applications. PRISM is expected to enter the market by offering competitive pricing due to very low energy costs in Alberta where the company operates – an unrivalled advantage.

PRISM's initial range of products will include atomised iron powders, carbonyl iron powders, and vanadium pentoxide that all command high market value and strong global demand. These metal powders are used in a growing number of high-tech applications, such as additive manufacturing (3D printing), battery manufacturing, powder metallurgy, water treatments, and as high-purity iron inputs in pharmaceutical and food industry,

The main asset of the company is its Clear Hills Iron/Vanadium Project, located in northwest Alberta and advantageously close to major infrastructure and population centres. Clear Hills holds an indicated resource of 557 million tonnes of iron, (with an average grade of 33% of iron) and 2.45 million pounds of contained vanadium (as vanadium pentoxide), with a further inferred resource of 96 million tonnes of iron, with an average grade of 33% (Source: NI43-101 Report, SRK Consulting, July 2012). In addition to iron and vanadium, the ore is known to contain cobalt and gold. PRISM's poly-metallic resource has the potential to supply its industrial materials for many decades.

PRISM's land tenure, an asset in itself, exceeds 1.91 million acres (7,763 sq km) of mineral permits and leases, the largest metallic and mineral land holding in Alberta.

Funding arrangements:
PRISM is currently looking to raise approximately CAD3.5 million (USD2.63 million) to complete its PFS/BFS Studies in 2020 BFS for Iron Carbonyl Powder (ICP) production with an aim of commercial production commencing early 2022.

Blackham Resources Limited ("Blackham")
The Wiluna Gold Operation ("Operation") is located in Australia's largest gold belt which stretches from Norseman in the south through Kalgoorlie and Leinster to Wiluna in the north. The company is currently transitioning to a low capex, low risk sulphide mining and tailings treatment operation

targeting 100koz-120koz per annum production. It is also focused on a debt reduction and balance sheet enhancement program.

During the year, Blackham experienced a number of challenges. Gold production in the second half of FY2019 was weak and impacted by: lower than required total mining movements and an inability to maintain high grade stockpiles; lower metallurgical recoveries due to processing partially refractory transitional ores; and significant concurrent investment in Matilda and Wiluna open pits.

Gold production during the year was 65,406oz and gold sold was 64,919oz at AUD1,656/oz, however, the AISC was AUD1,760/oz. There were forward gold sales contracts in place at 30 June 2019 for 18,500oz of at an average price of AUD1,805/oz, maturing by calendar year end.

During the year, the company faced a number of funding challenges but received strong support from its key stakeholders.

On 12 September 2019, Blackham announced a capital raising of up to AUD7 million (before costs) that will provide funding for key mine development work programs that will underpin Blackham's FY2020 production. Blackham also received AUD2.8 million cash in January 2019 from the sale of 20% interest in the Wiluna Cobalt-Nickel Project.

On 8 October 2019, the Lake Way Transaction completed with Blackham receiving AUD7 million cash and up to a further AUD10 million contribution to be received towards Williamson open pit pre-production mining activities, see announcement dated 8 October 2019. An initial non-refundable deposit of AUD3 million was received in July 2019.

Results
At the end of FY2019, the company had AUD4.2 million in cash and bullion.

Net debt was AUD11.8 million comprised of the loan payable to MACA AUD10.3 million, Lind Convertible Security AUD5.3 million and leases AUD0.4 million.

The loss after tax was AUD73.161 million. The FY2019 result included asset impairment charges of AUD45 million, which also broadly brings the book value of assets back into line with Blackham's market capitalisation. Blackham's net assets at the end of FY2019 were AUD62.177 million.

Blackham's production guidance for FY2020 is 70k-80koz at an AISC of AUD1,550-AUD1,750/oz and will be focused on free milling ore bodies prior to Blackham transitioning to Stage 1 of its Sulphide Expansion Project, which is planned to commence production during FY2021. Based on Blackham's September 2019 Quarterly and October 2019 results turnaround it seems the company is well on the way to achieving its FY2020 targets.

For the September 2019 Quarter, gold production was 17,565oz at ASIC AUD1,519/oz with the September monthly production being 7,220oz at ASIC AUD1,025/oz and the October monthly production 7,611oz at ASIC AUD1,266/oz.

Weatherly International Plc ("Weatherly") *(In Administration)*
Weatherly has a diverse portfolio of base metal production and development assets with multiple low capital spend growth opportunities. These include the Tschudi Mine, the Otjihase and Matchless mines (together, "Central Operations") and the Berg Aukas project in Namibia.

In April 2018, Weatherly announced that it had retained advisers to evaluate strategic options for the company following operational challenges at its key asset, the Tschudi open pit copper mine, in Namibia. High groundwater inflow rates encountered in the open pit far exceeded the worst case scenarios foreseen within the Bankable Feasibility Study.

On 26 April 2018, Weatherly announced that it had engaged Numis Securities Limited ("Numis") and Treadstone Resource Partners ("Treadstone") as its financial advisers to lead a review of strategic alternatives for the company and its assets where all opportunities for maximising shareholder value would be considered (the "Strategic Review").

On 1 June 2018, Weatherly announced that as a result of this material uncertainty, Orion Mine Finance (Master) Fund I LP ("Orion") had confirmed they were unlikely to permit further drawdowns under the existing uncommitted loan facility with Orion. Weatherly's Directors considered that no further reliance could be placed on Orion supporting the company financially and therefore sought to temporarily suspend the company's shares from trading on AIM and seek advice in relation to administration. Subsequently, on the same day, the company announced the appointment of Simon Kirkhope and Andrew Johnson of FTI Consulting LLP as administrators to the company.

Following the appointment of the Administrators and the subsidiary board changes, the position of the Tschudi mine stabilised and the Administrators extended the Numis and Treadstone engagement to act as Merger and Acquisition Advisers ("M&A Advisers") to recommence the sales process effective 24 September 2018. Despite over 90 parties being contacted and a number of indicative offers received, no sale was forthcoming and arrangements with Numis and Treadstone ceased in December 2018.

It is understood further expressions of interest have been received for both share sales and asset sales via direct third-party introductions. However, at this time it is not clear whether a potential transaction will be structured as a business and assets sale or the sale of the shares of OML – the subsidiary that owns and operates the Tschudi mine.

Nimini Holdings Limited ("Nimini") (Gold, Sierra Leone)
Polo's Annual Report 2018 explained that despite the considerable lobbying efforts by our in-country representative who is a Director of our local subsidiary Nimini Mining Limited, the Nimini Project's mining licence was cancelled at the end of August 2018. Polo remains disappointed by the Government of Sierra Leone's action in cancelling the mining licence and has written to the President and the Minister of Mines and Mineral Resources ("MoM") appealing for the decision to be reversed. Polo has also suspended any further expenditure on the Project. Nimini Holdings Ltd and its Sierra Leone subsidiaries have since been dissolved during 2018-19.

In the meantime, following the termination of the Operator Agreement with our joint venture partner Plinian and under the terms and conditions of this agreement and other supplementary agreements Polo is pursuing recovery of a loan amounting to USD4,182,717.28 (with interest calculated to 22 July 2019) from Plinian Guernsey Limited ("Plinian Guernsey"), a company owned by Plinian Capital Limited ("Plinian Capital") and both controlled by Bradford A. Mills.

Efforts by the Company to recover this outstanding loan including demand letters from Polo and the Company's lawyers to the principals of Plinian Capital and Plinian Guernsey have been futile.

Polo was notified that the "sole shareholder" of Plinian Guernsey had voluntarily put Plinian Guernsey in liquidation and that as an identified "potential stakeholder", Polo was invited to provide "proof of debt owed". Polo has responded to the joint voluntary liquidators as well as informed them that, as noted in an RNS made by West African Minerals Corporation on 11 February 2016, Plinian Guernsey had transferred its assets to Plinian Capital, which in Polo's view may otherwise have been used to repay sums outstanding under agreements with Polo. The directors of Polo have, in the interest of prudence, provided a full impairment against the recoverability of the outstanding loan.

Details of the agreements with Plinian were contained in a Polo RNS on 22 March 2012 entitled "Appointment of Plinian Capital Limited as Operator of Nimini Gold Project - Plinian Acquires 10 per cent Interest for USD2.5 million". Amongst others, Polo announced that it had provided Plinian Guernsey a loan amounting to USD2.5 million, accruing interest at 3% above LIBOR per annum, and that Plinian Capital was appointed operator of the project.

While Polo views the actions of Plinian as an intentional manoeuvre to evade liability, the door remains open to negotiating a settlement pending the preparation to commence court proceedings against Plinian Guernsey and its principals to pursue the recovery of the outstanding sums on behalf of its shareholders.

Universal Coal Resources Pte Ltd ("Universal")
In May 2016, Polo's subsidiary, PIL, entered into a secured SGD5 million (USD3.79 million) nominal value 15% 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% interest in PT Transcoal Minergy Coal Project ("TCM"), a company incorporated in Indonesia, from a Pan Asia Corporation Ltd. (ASX: PZC) subsidiary.

The company failed to list on the Singapore Stock Exchange and is now considering other areas of asset realisation, including repayment of the loan note by way of asset transfers. Efforts are continuing to resolve the matter.

Polo's current portfolio includes:

Petroleum assets:
- Hibiscus Petroleum Limited (8.75%)
- Regalis Petroleum Limited (12.66%)

Coal and power assets:
- GCM Resources Plc (17.74%)
- Universal Coal Resources Pte Ltd (redeemable convertible note)

Phosphate asset:
- Celamin Holdings Limited (18.55%)

Lithium, iron and vanadium:
- PRISM Diversified Ltd (19.13%)

Gold assets:
- Blackham Resources Limited (0.47%) (diluted following a rights issue and new share issue)

Copper asset:
- Weatherly International Plc (5.2%)

Various liquid short-term investments.

Equity Market Outlook
Heading into 2020, there will be both macro and micro value catalysts that will impact on Polo. Firstly, the conclusion of US-China trade talks is likely to feature as a positive development by investors that should filter down into creating positive market sentiment and thus lifting stock market valuations across the board. Polo hopes to benefit from improving investor sentiment trade talk agreements are set to deliver. However, being listed on the London market, Polo is also exposed to the economic events related to the U.K departure from the European Union and to date we are still unsure as to the outcome of BREXIT and the impact good or bad it is likely to have on both investment in the U.K and across the U.K equity market. The combination of these two macro-economic events to date still remains unclear and only serves to fuel uncertainty. During the reporting period we saw our equity price rise to 4.8p in February 2019 as the market picked up on the significance of the joint venture news announced by GCM. Overall, we have seen a modest gain of 4.6% in our equity price during the reporting period.

Commodity Exposure and Value Catalysts:

Oil
In terms of commodity exposure, we now consider Polo's net asset value to be largely driven by the oil price and the impact that will have on Hibiscus earnings moving forward. For the period under review the price of oil (Brent Crude) has averaged circa USD62 a barrel and we see known market factors that could serve to hinder this price stability moving forward.

Lithium, Iron, Vanadium and Precious Metals
We hold a 19.5% interest in Prism which gives Polo access to the electric vehicles metals market. Prism's Clear Hills (NI 43-101 compliant) and Peace River Arch projects, located in Alberta Canada, have high concentrations of lithium in underlying carbonate reservoirs. Lithium hydroxide, battery grade, CIF China, Japan and Korea prices have been dampened over the last 12 months from highs of USD21.00 per kg to USD12.00 per kg. Industry commentators believe the lithium market has now bottomed out and a recovery should begin to take place during 2020. Naturally the uptake of electric vehicles and off grid energy storage and electronics are key drivers for lithium. We see the desire by all governments to lower greenhouse gas emissions to be a geopolitical and policy factor that heading into the next ten years should see a transformational level of demand for lithium where Polo via our investment in Prism offers shareholders good exposure to this important metal.

Iron Ore
Also, through our investment in Prism, Polo has investment exposure to iron ore. The iron ore price hit USD120 a tonne in July 2019 but has since come off to USD88 a tonne. Once again, we see the result of trade talks between the US and China as being a catalyst to global economic growth where steel production can be considered a barometer by which to measure the health of the global economy.

Gold, Zinc and Phosphate
We have through Blackham minor exposure to the gold price which during the period traded above USD1,500 an ounce. Polo also has through our investment in Celamin, exposure to the zinc market. There is widespread consensus that we are in the midst of a tightening of the market for Zinc, which has seen the price rise to USD3,000 a metric tonne and moving into 2020 the price of zinc is trading at over USD2,000 a metric tonne. Celamin also gives Polo access to Phosphate. Rock phosphate prices improved during the back end of 2018, with prices reaching just over USD100 a metric tonne but have since come off to circa USD77 a metric tonne in what has been a market that has seen quite a steep decline in pricing during 2019.

Summary
The year under review is largely one that has been characterised by the significant progress Hibiscus, GCM and Celamin have made on various operational and corporate fronts. The Polo board believes that the past reporting period has been one where strong value creating foundations have been made which places the Company's growth stronger for 2020 where we see work undertaken across our portfolio delivering a number of positive outcomes for value creation on a micro front and we hope that can be matched and complimented by events on a macro front.

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
19 December 2019

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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

CAUTIONARY STATEMENT

The AIM Market of the London Stock Exchange 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 2019 Annual Report for the period ending 30 June 2019, which may be found on the Company's website at profile on www.poloresources.com.

Investment Update

<u>Oil and Gas</u>

Hibiscus Petroleum Berhad (HIBI: MK)

- Oil and Gas, United Kingdom and Australia
- 8.75% equity interest

Hibiscus Petroleum has activities in the following principal areas:

1. Anasuria Hibiscus: Hibiscus Petroleum's investments and operations in the U.K, consisting of (i) the Anasuria Cluster, a producing asset, and (ii) Marigold and Sunflower fields, a development asset, both located offshore in the United Kingdom Continental Shelf ("UKCS").

Anasuria Cluster: Hibiscus Petroleum's investment in 50% interest in the License No. P013 containing the Guillemot A, Teal and Teal South producing fields, 19.3% participating interests in the License No. P185 containing the Cook producing field, 50% interest in the Anasuria Floating, Production, Storage and Offloading vessel ("FPSO"). and 50% interest in the Anasuria Operating Company Limited ("AOCL"). The company jointly operates the producing fields under License No.P013 and the Anasuria FPSO via AOCL.

Marigold and Sunflower fields: Hibiscus Petroleum's investment in 50% interest in two blocks under License No. P198; (i) Block 15/13a, containing the Marigold discovered oilfield, and (ii) Block 15/13b, containing the Sunflower discovered oilfield. This includes the management of operations to develop these fields towards production.

Crown: Hibiscus Petroleum's investment in 100% interest in 100% interest in Blocks 15/18d and 15/19b (Licence P2366), also in the North Sea, in close proximity to the Marigold and Sunflower, and includes the Crown discovered field.

2. North Sabah: Hibiscus Petroleum's investment in 50% participating interests in the 2011 North Sabah EOR PSC, which includes the management of operations relating to the production of petroleum from four existing oil fields, namely St Joseph, South Furious, SF30 and Barton and existing pipeline infrastructure, the Labuan Crude Oil Terminal ("LCOT"), and all other equipment and assets relating to the PSC.

3. VICL/31, VICP/57, 3D Oil: Hibiscus Petroleum's operations in the production licence VIC/L31 for the West Seahorse field and other exploration prospects in Australia within exploration permit VIC/P57, and investment in 3D Oil.

Sales and Customers

In FY2019, the fields operated or jointly-operated by Hibiscus produced a combined total of approximately 20.2 MMbbl of gross liquids (oil and water). Of this, the total amount of oil produced net to Hibiscus was approximately 2.9 MMbbl of oil. The company's goal in FY2019 was to sell 2.7 to 3.0 MMbbl of oil from its two producing assets. The company exceeded this target and have sold approximately 3.3 MMbbl of crude oil across both producing assets, with seven offtakes originating from the North Sabah PSC, and a further five offtakes coming from the Anasuria Cluster.

For the Anasuria Cluster, Hibiscus sells its crude oil in cargoes of approximately 250,000 bbl net to Hibiscus from the Anasuria FPSO facility. AOCL has appointed BP Oil International Limited ("BPOI") to lift its cargoes and to market them to refineries in the region. The parent organisation of BPOI is BP, a global energy company. To date, BPOI has successfully marketed all the company's cargoes at competitive prices.

In the North Sabah PSC, oil is lifted from the LCOT, and is sold in parcels of approximately 300,000 bbl directly to the Trafigura Group, a large global commodities trader.

Hibiscus is pleased with both its oil trading arrangements in the North Sabah PSC and Anasuria Cluster. The company's counter-parties are reputable and have a large pool of clients. Working with major global players also ensures transparency and allows the company to gradually develop business relationships with some of the largest oil trading organisations.

The company's operated offshore fields deliver oil, gas and water from offshore reservoirs, which are then separated using its on-site processing facilities. For Anasuria, this is performed at the FPSO whilst this is performed at the LCOT for North Sabah. In the Anasuria field, produced gas is used as fuel gas for the company's machinery supporting operations, for gas lift operations to enhance production and the remaining volume is exported via pipelines to the U.K mainland and sold as one of the cleaner sources of primary energy. In Malaysia, most of the produced gas from the North Sabah fields is reinjected back into the various reservoirs as part of pressure maintenance or gas lift operations. The remaining volumes are used as fuel gas with minimal volumes flared. Water produced from these fields is treated to reduce the oil-in-water content. The treated water is subsequently released into the sea.

The company's drilling programme on the Anasuria and North Sabah assets is providing a firm foundation to increase production momentum. Hibiscus is targeting a combined net production of 12,000 bbl/day for both assets by end of 2020 as it strives towards its goal of achieving 20,000 bbl/day as part of its 2021 Mission. Hibiscus has also commenced the evaluation of development options for the Marigold and Sunflower oilfields which have the potential to significantly raise future production.

Hibiscus will consider entering into an appropriate hedging programme after carefully assessing prevailing market conditions.

Anasuria Cluster

The Anasuria Cluster delivers production that generates positive cashflow with future infield development opportunities and exploration upside.

The average uptime in FY2019 increased by 12% compared to FY2018. This is primarily due to a 30-day planned offshore turnaround of the Anasuria FPSO conducted between September and October 2017 (2017 Offshore Turnaround). That activity directly contributed to a lower average uptime in FY2018 but may have also indirectly resulted in improved performance of the offshore facilities in the subsequent months.

The average daily oil equivalent production rate in FY2019 increased by 15% when compared to FY2018. This is a result of higher average uptime as well as the incremental oil and gas production from the GUA-P2 Side-Track well that was completed in September 2018. As a result, the average OPEX/boe reduced by 22% to USD18/boe in FY2019 compared to FY2018.

In FY2019, the Anasuria Hibiscus operating segment recorded an EBITDA of RM281.3 million (USD67.42 million), or 71% margin over revenue, compared to EBITDA of RM107.4 million (USD25.7 million) (52% margin over revenue) in FY2018. There were five crude oil offtakes in FY2019, with a total of 1,349,170 bbl sold at an average realised oil price of USD66.60/bbl. Revenue attained was RM396.3 million (USD94.98 million). In FY2018, 791,822 bbl were sold in three offtakes at an average oil price of USD60.11/bbl, resulting in a revenue of RM207.4 million (USD49.71 million). The higher revenue and improved operational performance in FY2019 were the main drivers for the EBITDA level to improve by 162% in FY2019 compared to FY2018.

After acquiring the assets, the Anasuria technical team has been focusing on understanding the asset and have been working towards improving daily operational performance and identifying a portfolio of viable production enhancement projects and gradually executing them safely in a manner that is disciplined from a capital allocation perspective.

Project	Project Description	Status	Actual Completion
GUA-P2 Side-Track	Re-enter the existing GUA-P2 well to side-track the wellbore to unlock additional volumes of oil	Completed	Sept 2018
GUA-P1 Side-Track	Re-enter the existing GUA-P1 well to side-track the wellbore to unlock additional volumes of oil	Completed	Aug 2019
Cook Water Injection	Drill 1 water injection well in the Cook field for reservoir re-pressurisation and install water injection pipeline to the Anasuria FPSO	Completed	0ct 2019

Figure 1: Production Enhancement Projects in Anasuria

Anasuria Reserves Upgrade:

Hibiscus commissioned LEAP Energy to undertake an independent evaluation of in-place and recoverable hydrocarbons in the Anasuria Cluster attributable to Anasuria Hibiscus. In a report dated 23 August 2018, LEAP Energy stated that, based on their evaluation, the 2P Reserves net to AHUK have increased to 24.4 MMbbls as of 1 July 2018.

This estimate by LEAP Energy represents a net 4.2 MMbbls or 20.8% increase in 2P Reserves when compared to the 20.2 MMbbls forecasted by RPS Energy as of 1 March 2016. Given that Anasuria Hibiscus' production in the interim period between 1 March 2016 and 1 July 2018 was approximately 2.5 MMbbls of oil, then the net addition to the company's 2P Reserves since the acquisition of its participating interest in the Anasuria Cluster is 6.7 MMbbls. The reserves upgrade by an independent expert demonstrates that the company's efforts to extend the life of the Anasuria Cluster and unlock value from its assets.

North Sabah PSC

FY2019 represents the first full financial year of the company's operatorship of the North Sabah PSC. As operator, SEA Hibiscus is responsible for the day-to-day operations, maintenance, and conduct of production enhancement activities carried out on the asset.

The average uptime and net oil production rate in FY2019 reduced by 2% and 12%, respectively, when compared to FY2018. A key operational activity in FY2019 was a planned offshore maintenance campaign, which was mostly carried out from October to December 2018 (Q2 FY2019). During this period, various facilities were required to be shut down for inspection and maintenance work, thus impacting the uptime and production metrics for the year.

Despite this decline, the average operating expenditure per bbl (OPEX/bbl), or unit production cost, for the North Sabah PSC of USD14.6/bbl in FY2019 is fairly consistent with the USD13.5/bbl achieved in FY2018.

In FY2019, the segment recorded a revenue of RM586.8 million (USD140.63 million) from seven crude oil offtakes. A total of 1,958,150 bbl of crude oil were sold, at an average realised oil price of USD72.81/bbl. In FY2018, from the Completion Date (31 March 2018) to 30 June 2018, two crude oil offtakes were sold at an average realised oil price of USD73.26/bbl, which contributed to a revenue of RM181.9 million (USD43.60 million).

The sale of the seven cargoes at a relatively high average realised oil price was the main driver for the segment recording an EBITDA of RM294.6 million (USD70.60 million) and EBITDA margin over revenue of 50% in FY2019.

Reserves and Contingent Resources Assessment:

The North Sabah PSC constitutes Hibiscus' second producing asset, providing the company with another revenue stream after the Anasuria Cluster. It has enabled Hibiscus to strengthen its technical and operating capabilities, profitability and balance sheet. The acquisition of this asset is part of the company's strategy to grow shareholder value by focusing on unlocking potential from mature, late-life oil and gas fields.

In January 2019, Hibiscus announced a summary of the reserves and contingent resources prepared by RISC in respect of the North Sabah Fields.

SEA Hibiscus had on 1 November 2018, appointed RISC to undertake an independent audit and provide an assessment of the reserves and contingent resources within the North Sabah Fields.

As of 31 December 2018, the 2P Reserves and the gross 2C Resources of oil in the North Sabah Fields were estimated to be 55.3 MMstb and 85.7 MMstb respectively. *(On 12 October 2016, Hibiscus Petroleum had disclosed gross 2P Reserves and gross 2C Resources as of 1 January 2016 of 62 MMstb and 79 MMstb respectively, derived by independent technical valuer, RISC Operations Pty Ltd).*

RISC is an independent oil and gas consultancy specialising in reserve and resource evaluation, field development and valuation, technical advice and due diligence. RISC has reviewed the reserves/ resources within the North Sabah Fields in accordance with the Society of Petroleum Engineers' internationally recognised Petroleum Resource Management System (SPE-PRMS), and applied economic cut-offs.

Hibiscus has recently embarked on a series of production enhancement projects that have been identified to realise the considerable potential within the North Sabah PSC fields.

Project	Project Description	Status	Target Completion
St Joseph Infill Drilling	Drill 3 infill oil producing wells	Completed	Aug 2019
SF30 Infill Drilling	Drill 3 infill oil producing wells	Execution commenced in Aug 2019	Nov 2019
SF30 Water Flood Phase 1	Drill 1 water injection well for reservoir re-pressurisation	Execution expected to start in Nov 2019	Dec 2019

Figure 2: Production Enhancement Projects in the North Sabah PSC in 2019

Marigold and Sunflower fields

In October 2018 Hibiscus announced the acquisition of a 50% interest in Blocks 15/13a ("Marigold") and 15/13b ("Sunflower"), expanding its footprint in the UKCS. This acquisition of a development asset will allow the company to make a step change in scale as well as be a platform for Hibiscus to build internal technical and project management capability. Several project delivery milestones have been imposed on Hibiscus by the regulatory authorities in the U.K and the company is determined to positively progress this opportunity.

The gross resources for Blocks 15/13a and 15/13b have been classified by AGR in accordance with resource definitions presented in the Society of Petroleum Engineer's Petroleum Resources Management System. Based on AGR's gross estimates of the Blocks as of September 2018, the 2C oil resources of the Blocks net to Anasuria Hibiscus (50% participating interest) are 30.0 MMstb. Once a development plan is approved and successfully implemented, up to 30.0 MMstb of 2C may potentially be converted to 2P, which is expected to be added to Hibiscus portfolio, contributing to íts mission of achieving its 2021 mission of 100 MMbbls in proven and probable reserves.

Thirty-four development scenarios were studied to determine the optimum solution for development of the Marigold and Sunflower resources and select the concept that provided the best balance of cost, value and risk. The selected concept is to drill and complete subsea wells that are tied back to a FPSO via flexible flowlines and umbilicals. This concept provided the highest project value with the lowest execution and commercial risk. It will also facilitate a phased development approach to further mitigate project risks. The project is expected to proceed in two phases to mitigate subsurface uncertainties and minimise capital outlay required to achieve first oil production.

It is anticipated that in phase 1 of the development, three Marigold wells will be drilled, completed and tied back to the FPSO via a production manifold. Additional wells in Marigold, along with wells in the Sunflower discovered field and the recently acquired Crown discovered field (pending acquisition completion), could be developed in a second project phase. It is envisaged that wells in these fields will also be tied back to the FPSO.

In addition, there may be near field opportunities that could be monetised through an area-wide development.

Crown

Post the reporting period, on 12 December 2019, pursuant to the earlier disclosures made by Hibiscus on 17 July 2019 and 7 October 2019, the company announced that Anasuria Hibiscus had completed the acquisition of North Sea Blocks 15/18d and 15/19b ("License P2366" or "Blocks"), from United Oil & Gas PLC ("United") and Swift Exploration Limited ("Swift") (collectively referred to as "Sellers") for a total cash consideration of up to USD5 million.

Completion of the acquisition occurred pursuant to the receipt of approval from the United Kingdom's Oil and Gas Authority ("OGA") for the assignment of License P2366 to Anasuria Hibiscus from the Sellers and the appointment of AHUK as Exploration Operator on 4 December 2019. In accordance with the terms of the conditional Sale & Purchase Agreement executed on 7 October 2019 ("SPA"), a further USD0.9 million has been paid upon achieving completion of the acquisition.

The Blocks are located offshore in the United Kingdom sector of the North Sea, approximately 250km northeast of Aberdeen. The Blocks include the Crown Discovery which consists of 2C contingent resources that range between 4 to 8 million barrels of oil, subject to an independent 3rd party expert assessment. The Blocks are located 12km south-east of Marigold field, which together with the Sunflower field, was acquired by Anasuria Hibiscus in October 2018.

United and Swift were awarded License P2366 as part of the OGA's 30th Licencing Round, in August 2018, and they each hold 95% and 5% participating interest respectively.

VIC/L31, VIC/P57 and VIC/P74, Australia

Hibiscus has interests in two licences located in the prolific oil and gas producing province of the Bass Strait of Australia. The company also has a 11.68% interest in 3D Oil Limited ("3D Oil"), a company listed on ASX. Through 3D Oil, Hibiscus has indirect exposure to two additional exploration licences.

A production license, VIC/L31, containing the West Seahorse field, was granted by the Australian authorities to Hibiscus for an indefinite period from 5 December 2013. Hibiscus is in the process of evaluating field development options with a view to recommencing field development activities once an economically viable development solution is identified. VIC/P57 is a joint arrangement which is in the exploration stage.

Post the reporting period, on 26 July 2019, Hibiscus announced that its associate company, 3D Oil, was awarded the VIC/P74 permit in the offshore Gippsland Basin by the National Offshore Petroleum Titles Administrator. The 1,006km^2 permit is located on the southern side of the Gippsland Basin. Hibiscus has exercised an option that was secured prior to the permit award, to farm-in to VIC/P74 by acquiring a 50% non-operated interest in the permit on a ground floor basis. The primary work programme ("First Exploration Phase"), which consists of the first three years since permit award, is the 1,006km^2 of recently reprocessed 3D seismic and geophysical and geological studies. The gross cost for the First Exploration Phase is estimated to be AUD1.2 million. During this phase, 3D Oil will remain as the operator.

On 20 August 2019, Hibiscus announced that a Dividend Policy had been established through which Hibiscus may issue dividend payments to reward shareholders for their continuous support. The Dividend Policy, which describes the company present intention and the various considerations that are required to declare any dividends, can be found on their website (https://www.hibiscuspetroleum.com/dividendpolicy/).

On 13 December 2019, Hibiscus' share price closed at MYR0.94 with a market capitalisation of USD359.13 million (MYR/USD = 0.24055).

Regalis Petroleum Limited

- Oil, Republic of Chad
- 12.66% equity interest

Polo's interest in the private and independent oil and gas company, Regalis Petroleum Limited ("Regalis") increased to 13.67% following an in-specie distribution by Polo's 42% 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 kilometre 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 USD14.8 million in the previous financial year 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
- 17.74% equity interest

GCM Resources plc ("GCM") is now committed to a strategy of developing the Phulbari coal deposit as a captive large-scale open pit mining operation supporting 6,000MW of highly energy efficient Ultra-Supercritical power generation developed in three stages over a ten year period to suit the build-up in coal production to the nameplate 15 mtpa (collectively defines "the Project"). GCM's business model to deliver the Project primarily involves forming Joint Venture Agreements with various internationally renowned companies to assist with the necessary Government of Bangladesh approvals and assist with both financing and development of the coal mine and power plants. The business model also factors in consultants in both China and Bangladesh to provide crucial guidance and lobbying support.

Although the Phulbari coal mine's Scheme of Development submitted to the Government of Bangladesh in 2005 and still awaits approval, this document did not portray the mine as "captive" with an ultimate deliverable to the Government being 6,000MW of reliable, low-cost power. To this end the company's business model now views the Project as being four integrated "Business Units" being the captive coal mine and the three 2,000MW power projects that will be commissioned in line with the ramp-up to the nameplate 15 mtpa coal production. The coal mine's viability will be underpinned by the coal supply agreements with the three power projects. In turn the power projects' viability will be underpinned by the competitively priced and reliably supplied coal from the Phulbari coal mine.

While the Bangladesh Government remains committed to a rapid expansion of its energy sector, including the increase of coal-based power generation, GCM equally remains committed to delivery of the country's lowest coal-based power tariff at a production rate that will make a significant positive impact on Bangladesh's industrial development and competitiveness in international markets

While GCM began the last reporting year strengthening its relationship with CGGC and closing out with a Joint Development Framework Agreement for the initial 2,000MW Phase of mine-mouth power plant(s), this reporting year began with building a working relationship with PowerChina. GCM viewed PowerChina as the logical partner for development of the remaining 4,000MW necessary for viability of the planned Phulbari coal mine.

The company recognised the assistance by Dyani Corporation Limited and extended its consultancy agreement for the pursuit of additional international recognised partners for mine development and the additional power plants. These efforts resulted in GCM agreeing in September 2018 for PowerChina to undertake a prefeasibility study and other due diligence for the remaining 4,000MW mine-mouth power plants.

The success of the prefeasibility study resulted in GCM entering into a Joint Venture Agreement ("JVA") and a definitive Engineering, Procurement and Construction ("EPC") Contract with PowerChina in January 2019 for the next 2,000MW mine-mouth power plant (2x1,000MW units) phase. In March 2019, GCM entered into a second JVA with PowerChina for the final 2,000MW mine-mouth power plant phase, thus completing the 4,000MW PowerChina package and shoring up the 6,000MW required ensure the Project's viability.

Post the reporting year, GCM progressed with two further key success arrangements:

The first is an MOU signed in July 2019 with China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. ("NFC") and PowerChina aimed at forming a strategic partnership to jointly develop the company's proposed Phulbari coal mine. Under the terms of this arrangement NFC is undertaking due diligence, including a review of the mine plan and financial model, and the parties will jointly pursue the necessary government approvals.

The second is a Consultancy Agreement signed In September 2019 with DG Infratech Pte Ltd, a Bangladeshi controlled company ("DGI"), whereby DGI will provide the company with advisory, management, lobbying and consultancy services for the Project's approval and development stages. DGI and its parent company have a solid record in developing large-scale engineering construction and power sector related projects in Bangladesh.

Funding arrangements:

To finance its operations during the year, on 30 November 2018, GCM agreed an amendment to the short-term loan facility with Polo Resources Limited ("Polo") (the "Polo Loan Facility"). The Polo Loan Facility was increased by £1,200,000 to £2,300,000 and provides that the lender has the option to convert all or part of the balance of the Polo Loan Facility at a conversion price of 11 pence per share, subject to Polo's maximum holding not exceeding 30% of the company's enlarged share capital.

As at the date of this report, GCM had fully drawn down on the increased Polo Loan Facility and the company currently has approximately £315k in available cash resources. In addition the company has received a non-binding commitment from Polo, whereby Polo has confirmed its willingness to enter into an agreement to increase the Polo Loan Facility by an additional £1,200,000 from the end of January 2020 should alternative financing not be secured by then (the “Agreed Facility Increase”) which, at the Group’s current cash burn levels, would provide sufficient financing for at least the following 12 months.

On 13 December 2019, GCM’s share price closed at GBP0.125 with a market capitalisation of USD16.28 million (GBP/USD = 1.32005).

Universal Coal Resources Pte Ltd

- Coal Project, Indonesia
- Redeemable convertible note

In May 2016, Polo’s subsidiary, PIL, entered into a secured SGD5 million (USD3.79 million) nominal value 15% 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% 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% 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.

PZC announced that it is progressing the potential cash sale of its interests in TCM and that Polo will be repaid from the proceeds of sale. The transaction is still subject to certain conditions precedent including due diligence, approval from PZC shareholders and any approvals required from regulatory and other bodies.

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.

Phosphate

Celamin Holdings NL (ASX: CNL)

- Phosphate, Tunisia
- 18.55% equity interest

Chaketma Phosphate Project
The Chaketma Phosphate Permit, operated by CPSA, is a potential large-scale phosphate development asset, which comprises six prospects over a total area of 56km^2. It hosts a total JORC compliant Inferred Resource of 130Mt @ 20.5% P_2O_5, confirmed from drilling at only two of the project's six prospects. It is located 210km by road south-west of Tunis and is just 35km from the nearest railhead and close to existing road and power infrastructure.

On 8 April 2019, Celamin published a presentation on ASX. The presentation includes the legal matters in relation to the fraudulent transfer to TMS of Celamin's 51% interest in CPSA. The presentation also includes the potential application of exciting new processing technology and also details regarding its Zinc and Lead prospects. The full details of the presentation can be found at https://www.asx.com.au/asxpdf/20190408/pdf/44446yzcr9kc2b.pdf.

Following enforcement allowing Celamin to recover control of the Chaketma Phosphate Project Celamin plans to:

- Introduce an international partner to facilitate funding discussions;
- Commence a feasibility study to determine the viability of producing either rock phosphate or chemical fertiliser. Celamin is contemplating these development options all in the backdrop of a rising rock phosphate price.

Djebba Zinc-Lead Project, Tunisia – Historical Resource Estimate:

In July 2018 Celamin was granted two new exploration permits in Tunisia prospective for Zinc and Lead. The Djebba and Zeflana permits cover 32kms in the Atlas Zinc-Lead Province that runs through the north of the country.

Since the grant of the exploration permits, Celamin has acquired the report on the mining study completed in 1989 by Montreal-based consultancy, Le Groupe SIDAM-Minorex, for the Office National des Mines ("ONM") in Tunisia and engaged CSA Global to review this study to enable announcement of the historical resource estimate.

The mining study, titled "Etude de faisabilité preliminaire de l'exploitation du gite plomb-zincifere de Djebba" (Pre-feasibility study on mining the Djebba Zinc-Lead deposit) documents historical resource estimates and mining studies for the deposit completed in the period 1986-89. The study was based on drilling completed by ONM at the historical Djebba mine site which was used to estimate and report the historical resource of 2.7 Mt at 6.1% Zn and 3.3% Pb[1].

Better results from the historical ONM drilling include:
- S-30bis 16.6m at 8.36% Zn & 1.8% Pb from 66.1m
- MDJ2 10.45m at 17.52% Zn & 1.57% Pb from 21.85m
- MDJ7 8.55m at 9.55% Zn & 0.81% Pb from 32.85m

Celamin cautions that this resource estimate is a historical estimate and was not reported in accordance with the JORC Code. A Competent Person has not done sufficient work to classify the historical estimate as a Mineral Resource and/or Ore Reserve in accordance with the JORC Code and it is uncertain that following evaluation and/or further exploration work that the historical estimate will be able to be reported as a Mineral Resource or Ore Reserve in accordance with the JORC Code.

Subsequent to the 1989 study, additional drilling and other exploration work was completed at Djebba by ONM (1992), ONM-Metallgesellschaft (1993-94), VSX-listed Consolidated Global Minerals Ltd (2001-04), and AIM-listed Maghreb Minerals (2002-2008). Celamin is in the process of acquiring, compiling, and assessing the available data and reports for this subsequent work.

Celamin will now focus on validation of the historical resource based on confirmatory drilling and target generation work to define new targets for drill testing as this style of mineralisation can be extensive and form large deposits.

Celamin has lodged applications for larger permits covering the geological trends of both the Djebba and Zeflana permits. The applications areas are expected to improve the possibility of delineating extensions to the mineralisation at both locations.

For further information on the Djebba and Zeflana permits, including past ownership and historical data, please refer to ASX releases 17 July 2018 and 31 October 2018 which can be found at http://celaminnl.com.au/

Completion of Share Purchase Plan, Bonus Options Offer and Top Up Placement:

On 9 November 2018, Celamin announced that it had successfully raised AUD622,500 from existing shareholders via the Share purchase plan, representing 92% of the maximum amount able to be raised by the SPP. Furthermore, pursuant to the Top-up Placement as announced on 14 November 2018, the company raised a total of AUD311,639.

On 20 November 2018, the company issued a total of 63,772,811 Options expiring 18 May 2020 exercisable at AUD0.05 as a result of the 1 for 2 Bonus Options Offer which was announced to the market on 8 October 2018.

On 20 December 2018 following shareholder approval at the Celamin's Annual General Meeting held on 26 November 2018, pursuant to the Top-up Placement as announced on 14 November 2018, the company raised an additional AUD24,863.

On 14 February 2019, Celamin raised a total of AUD250,000 pursuant to the Placement Offer as contemplated by the Prospectus lodged with ASIC and ASX on 15 October 2018, the Supplementary Prospectus lodged with ASIC and ASX on 6 December 2018 and the Second Supplementary Prospectus lodged with ASIC and ASX on 1 February 2019 to sophisticated investors.

On 19 June 2019, the company announced that following an exercise of unlisted options, the company raised a total of AUD180,125.

On 13 December 2019, Celamin's share price closed at AUD0.12 with a market capitalisation of USD12.35 million (AUD/USD = 0.68920).

[1] Celamin cautions that this resource estimate is a historical estimate and was not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimate as a mineral resource and/or reserve in accordance with the JORC Code and it is uncertain that following evaluation and/or further exploration work that the historical estimate will be able to be reported as a mineral resource or ore reserve in accordance with the JORC Code.

Lithium, Iron, Vanadium and Precious Metals

PRISM Diversified Ltd (formerly Ironstone Resources)

- Atomised Iron Powders, Carbonyl Iron Powders, Vanadium, Canada
- 19.13% equity interest

In early 2018, Ironstone Resources Ltd. was rebranded and renamed to PRISM Diversified Ltd. to mark the company's transition and focus on manufacturing of metallurgical powders rather than iron metallics. PRISM is an acronym for Peace Region Innovative & Sustainable Manufacturing, which is also the company's mission and brand statement.

Looking for alternative ways to capitalize on its asset, it became apparent that manufacturing of highly sought metallurgical powders such as carbonyl iron powders, atomized iron powders and vanadium pentoxide could provide faster route to cash-flow while reducing its CAPEX significantly. Technologies used to manufacture metal powders are readily available and have existed for decades – it is a matter of fine-tuning its process flow sheet and determining its palette of products.

In order to facilitate the extraction/processing/production plan, PRISM sourced and engaged an internationally recognized engineering firm – DRA Global which has experience in this segment of the iron world and they will work in affiliation with a proven expert in advanced vapour metallurgy, who is credited with numerous process patents – Dmitri Terekhov, PhD, President of Vapour Metallurgy Innovations Inc. ("VMI"). DRA Global in conjunction with VMI will be conducting a Pre-Feasibility Study ("PFS") and Bankable Feasibility Study ("BFS") (with an off-ramp after the PFS) to create an iron powders and vanadium production facility. The deposit is anticipated to produce 30,000 tonnes per annum of iron powder, although the modular operation can be easily expanded to meeting the growing global demand for metal powders.

As a part of this restructuring and re-positioning of the company, PRISM has implemented certain changes to the Management and Board of Directors. Dr. Elena Clarici has been appointed as a CEO, and former CEO Mr. Barry Caplan will continue to serve the company in a consultant capacity as well as to remain on the Board of Directors. Dr Elena Clarici is a seasoned mining professional with some 25 years of mining investment and corporate experience. During this time she held a number of senior positions at various financial institutions in the City of London, focusing principally on investment management in natural resources and emerging markets. Elena currently serves on a number of Boards of mining companies. Originally trained as a mining engineer she gained her PhD in Artificial Intelligence in Mining from Royal School of Mines, Imperial College, London, U.K.

Additional management and Board changes include the resignation of Mr. James Masleck as CFO and from the Board of Directors. The Chairman, Carl Berdahl has assumed an Acting CFO position, while the company's accountant Ms Linda Warner has been appointed as Corporate Secretary and Financial Controller.

PRISM is currently looking to raise approximately C$3.5 million (USD2.63 million) to complete its PFS/BFS Studies in 2020 for Iron Carbonyl Powder ("ICP") production with an aim of commercial production commencing early 2022.

<u>Gold</u>

Blackham Resources Limited (ASX: BLK)

- Gold, Western Australia
- Coal, Southwest Australia
- Combined direct and indirect 0.47% equity interest (diluted following a rights issue and new share issue)

The Matilda-Wiluna Gold Operation is located in Australia's largest gold belt. The Operation encompasses four large gold systems surrounding the township of Wiluna that has historically produced of 4.4Moz of gold. In October 2016, Blackham produced first gold from the Operation.

Highlights

Since publishing the Blackham 2018 Annual Report, the company has delivered the following results:

- Consistent year-on-year throughput and processing plant performance.
- Extensive development and mining of free-milling Wiluna open pits with benefits delivered into FY2020.

- Continued replenishment and extensions of high-grade ore from the Golden Age Underground.
- Commenced mining at the Williamson open pit mine with dedicated project funding secured via the sale of certain assets to Salt Lake Potash.
- Exploration success at Williamson, Lake Way and Golden Age North.
- Defined low cost capital pathway to deliver value as the company transitions to its sulphide operations.
- Re-structured Management and Board of Directors.

Operations

Gold production during the year was 65,406oz. Although gold production was below expectations in the Mar'19 and Jun'19 quarters, the significant investment in mining development during this period will deliver benefits over the next six months.

Free milling gold is now being accessed from several pits and the company remains focused on improving costs and production. The near-term operational focus is on mining the company's highest margin reserves, by providing steady continuous feed of high-grade ore though the process plant and improving mill availability and utilisation, while also implementing appropriate cost cutting initiatives and operational improvements.

Table 1 – FY2019 Gold Production Statistics

	Units	**30 June 2019**	**30 June 2018**
Mining			
Open pit strip ratio	Waste/ore	9.1	8.6
Total ore mined (UG and open pit)	t	1,938,606	1,696,842
Total mined grade	g/t	1.3	1.5
Total mined contained ounces	oz	79,785	81,283
Processing			
Tonnes processed	t	1,807,931	1,835,057
Grade processed	g/t	1.3	1.4
Plant recovery	%	85	87
Gold produced	**oz**	**65,406**	**70,565**
All-in sustaining costs	**A$/oz**	**1,760**	**1,629**

Production, Cost and Capital Guidance for FY2020

Production guidance for FY2020 is 70k-80koz @ an AISC of AUD1,550-AUD1,750/oz. Forecast FY2020 AISC includes approximately AUD11 million of sustaining capital expenditure, mostly comprising the construction of a new tailings storage facility, which will provide storage capacity for the ongoing operations. Non-sustaining capital expenditure outside of the Stage 1 Sulphide Expansion Project, which includes refurbishment of the Rod Mill to increase plant throughput, is forecast to be AUD5 million over the year.

Mining

In October 2018, Blackham advised it has commenced open pit mining at Wiluna of its recently defined free milling ore. It has been 10 years since open pit mining last took place at the Wiluna Mine. Recommencement of mining at the Wiluna Mine is expected to increase plant feed grade, reduce haulage costs and significantly reduces mine sequencing risks due to more mining areas. Mining of the Wiluna free milling pits will significantly reduce both geological and mining risks associated with the larger sulphide pits prior to recommissioning the Wiluna plants sulphide circuit. In line with the mine plan adopted at the start of the year, the remaining open pits at Matilda will be mined concurrently with the Wiluna open. All the Wiluna open pits are located within 3kms of the plant, significantly lowering haulage costs

Mining at Williamson open pit commenced in September 2019 and total earth movement will increase in the December 2019 quarter, commensurate with pre-stripping required to access the Williamson ore body (targeted for the second half of FY20). Pre-stripping activities will also occur in the December 2019 quarter for a further cut-back at the Wiluna Golden Age North open pit mine. Waste rock from this mining area will be used in the construction of the new tailings storage facility, and high-grade ore supply from this mining area will also become available in the second half of FY20.

Resource summary
The Matilda-Wiluna Gold Operation's gold Resources of 93Mt @ 2.1g/t for 6.4Moz are to JORC 2012 standard and are all within a 20km radius of the Wiluna Gold Plant. 66Mt @ 1.7g/t for 3.7Moz (57% of total resources) are in the Measured and Indicated Resource category. For more information on the resource please refer to Blackham's ASX announcement dated 27 September 2019.

Reserves
The Matilda-Wiluna Gold Operation's gold Reserves of 25Mt @ 1.7g/t for 1.4Moz are to JORC 2012 standard and are all within a 20km radius of the Wiluna Gold Plant. Free-milling Reserves total, whereas the remaining reserves are focussed on the Sulphide Expansion Project. For more information on the reserve please refer to Blackham's ASX announcement dated 27 September 2019.

Resource and Reserve Definition Drilling
During the year, Blackham completed several projects aimed at strengthening and lengthening its gold reserves and ongoing exploration drilling targeted at new oxide deposits, to extend the current free milling mine life. The company completed 23,551.4m of resource definition drilling during the period, comprising 181 RC holes for 21,858m and 13 DD holes for 1,693.4m.

In the twelve months to 30 June 2019, Blackham's exploration team concentrated on further delineating free-milling open pit reserves over the 4km strike at the Wiluna mine. Revised mining and metallurgical studies confirmed that oxide and transitional ores at Wiluna are amenable to CIL processing, leading to infill drilling targeted at Wiluna free-milling pits that have been mined through FY2019.

Blackham remains focused on extending the life of the Golden Age underground mine in line with recent exploration success. From February to May 2019, Blackham completed surface RC and underground diamond drilling programmes. Results released to the market identified high grade extensions at Golden Age confirming that mineralisation is open both down plunge and down dip and future mining is planned to increasingly target the extensions defined from this drilling. Please refer to Blackham's ASX releases dated 19 February 2019 "Excellent Drill Results Extend Both Open Pit and Underground Mining at Golden Age", 15 May 2019 "High-Grade Extensions to Golden Age", and 19 September 2018 "Additional Wiluna High Grade Free-Milling Mineralisation".

Surface RC drilling above the underground Golden Age workings have confirmed the continuity of the mineralised structure over a 600m strike and to a depth of 370m, with mineralisation remaining open, both laterally and down-dip.

Metallurgical test work indicates mineralisation at Golden Age North is also free-milling, consistent with the Golden Age underground. Mining of a further cutback on the Golden Age North pit is scheduled to commence in the latter half of 2019.

Wiluna Expansion Studies
The Expansion PFS published on 30 August 2017, confirmed the robust economics for a +200kozpa long mine life operation. This study confirmed the Wiluna Expansion opportunity is capital efficient with economies of scale significantly reducing unit operating costs.

On 28 February 2019, Blackham provided an update on its Expansion Studies, detailing a staged approach that allows an initial low capital cost expansion to enable production from its reserves. The Stage 1 Expansion targets 100-120kozpa production with costs well below its current free milling operation and long mine life. The initial Stage 1 focuses on the production of a gold concentrate predominantly from the Wiluna underground with flexibility to also process its free milling and tailings Reserves. The Stage 1 Expansion will allow Blackham to focus on its highest margin Reserves.

The overall target is to be in a position to commit to the Stage 1 Expansion during the December 2019 quarter.

Wiluna Cobalt-Nickel Project ("Wilconi")
On 20 December 2018, A-Cap Energy Limited ("ACB") entered into a binding term sheet with Blackham to acquire up to 75% of the Wiluna Nickel-Cobalt project via a staged Farm-in and Joint Venture Agreement ('JVA'). The project covers 40km of strike of the "Perseverance Ultramafics" sequence, which hosts world class nickel projects including Mt Keith, Cosmos, Venus, Perseverance and Honeymoon Well. In January 2019, ACB acquired an initial interest of 20% for cash consideration of AUD2.8 million (USD1.9 million) to Blackham.

During the September 2019 quarter ACB completed a resource upgrade that confirms a large Nickel – Cobalt Resource of 78.8 million tonnes. Please refer to the ACB's ASX announcement dated 17 September 2019 for further details.

Salt Lake Potash
On 23 July 2019, Blackham announced that it had agreed to sell its Lake Way tenements, cancel its brine royalty and provide certain water rights to Salt Lake Potash Limited (ASX: SO4) ("Salt Lake Potash") for AUD10 million cash, whilst retaining certain gold mining rights for both those tenements and Salt Lake Potash's neighbouring tenements ("Lake Way Transaction"). The Lake Way transaction does not restrict Blackham's mining activities as it progresses towards Stage 1 of its Sulphide Expansion Project.

Salt Lake Potash and Blackham also identified a mutual opportunity for Salt Lake Potash to utilize part of the pre-strip material from Blackham's proposed Williamson Pit development for the construction of the Salt Lake Potash's on-lake evaporation ponds. Salt Lake Potash will contribute up to AUD10 million to the pre-strip of the Williamson open pit mine, allowing Blackham to expedite the mining of the Williamson open pit and also provide Salt Lake Potash with suitable construction material for its Lake Way Sulphate of Potash project.

Convertible Security Funding Agreement
On 25 September 2018, Blackham announced the execution of an agreement with an entity managed by The Lind Partners, a New York based institutional fund manager, ("Lind").

Lind's AUD7.5 million investment was provided as a Secured Convertible Note, the proceeds of which were used, along with Blackham's cash, to fully repay the short term secured debt owed to Orion Fund JV Limited. The convertible note was repaid on 2 September 2019.

Controlled Placement Agreement
During July 2018, Blackham entered into a Controlled Placement Agreement ("CPA") with Acuity Capital. The CPA provides Blackham with up to AUD10 million of standby equity capital over the coming 29-month period. Importantly, Blackham retains full control of all aspects of the placement process, having sole discretion as to whether or not to utilise the CPA, the quantum of shares issued, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements on Blackham to utilise the CPA and Blackham may terminate the CPA at any time, without cost or penalty. If Blackham does decide to utilise the CPA, Blackham is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by Blackham and a 10% discount to a Volume Weighted Average Price over a period of Blackham's choosing (again at the sole discretion of Blackham).

Pursuant to the abovementioned Controlled Placement Agreement, Blackham issued 25,000,000 collateral shares to Acuity Capital Investment Management ATF Acuity Capital Holdings Trust on 26 September 2018.

Debt financing and working capital facility
During the year and subsequent to reporting date, the company entered into a working capital facility with MACA that will assist Blackham to progress towards its transition to the Stage 1 Expansion Sulphide Development, targeting 120kozpa gold production and long mine life.

Pursuant to the working capital facility, MACA will provide Blackham with working capital of up to AUD19 million until 29 February 2020, which will be provided to Blackham in the form of extended payment terms for amounts payable to MACA under its mining services contract ("Working Capital Facility"). The Working Capital Facility has been provided within the company's existing security arrangements, but is separate to the AUD14.3 million secured loan previously provided by MACA, against which Blackham will continue to make payments in accordance with the agreed schedule, with the balance having reduced to AUD10.3 million as at 30 June 2019.

Capital Raising
On 11 April 2019, Blackham announced that it had raised gross proceeds of AUD25.8 million through a placement of 1.7 billion shares at a price of AUD0.015 per share.

On 12 September 2019, Blackham announced a capital raising of up to AUD7 million (before costs) that will provide funding for key mine development work programs that will underpin Blackham's FY2020 production, including pre-production activities at the Williamson open pit, a new tailings storage facility, rod mill refurbishment, and for general working capital. The capital raising comprises of a AUD4 million placement to a small number of targeted international and domestic institutional and professional investors at a price of AUD0.01 per share and a share purchase plan to existing shareholders for up to a further AUD3 million, at the same price as the Placement.

On 13 December 2019, Blackham's share price closed at AUD0.011 with a market capitalisation of USD33.41 million (AUD/USD = 0.68920).

Nimini Holdings Limited

- Gold Project, Sierra Leone

Polo's Annual Report 2018 explained that despite the considerable lobbying efforts by our in-country representative who is a Director of our local subsidiary Nimini Mining Limited, the Nimini Project's Mining Licence ("ML") was cancelled at the end of August 2018. This came a month after a blanket move by the Government of Sierra Leone ("GoSL") cancelling over 30 mining licences at which time the GoSL cited it was facing serious revenue generation challenges.

Note that Nimini had earlier taken the decision to suspend all payments to the GoSL (including the annual ML fee). Nimini wrote to the GoSL explaining that it was forced to take this drastic action because the GoSL was not acting in good faith with the Mine Development Agreement ("MDA") negotiations. The MDA is crucial to development of Nimini's Komahun Gold Project as it defines the fiscal terms.

Polo remains disappointed by the GoSL's action in cancelling the Nimini Project's mining licence and wrote directly to the President and the Minister of Mines and Mineral Resources appealing for the decision to be reversed.

Nimini Holdings Ltd and its Sierra Leone subsidiaries have since been dissolved during 2018-19.

In the meantime, following the termination of the Operator Agreement with our joint venture partner Plinian and under the terms and conditions of this agreement and other supplementary agreements

Polo is pursuing recovery of some USD4,182,717.28 (with interest calculated to 22 July 2019)) from Plinian.

Copper

Weatherly International Plc (AIM; WTI)

- Copper, Namibia
- 5.2% equity interest

Weatherly International is reviewing its strategic options following the appointment of Simon Kirkhope and Andrew Johnson of FTI Consulting as joint administrators of the company in June 2018. This follows the implementation of a recovery plan for its Tschudi copper mine in Namibia, following significant water ingress in May 2018. Since the appointment of the joint administrators in June, there have been material improvements to the dewatering capabilities and a strategy enabling stable path to growth has been implemented.

Weatherly has a diverse portfolio of base metal production and development assets with multiple low capital spend growth opportunities. These include the Tschudi Mine, the Otjihase and Matchless mines (together, "Central Operations") which were placed on care and maintenance in September 2015 and the Berg Aukas project in Namibia. Key highlights of Weatherly's main assets are provided below.

Tschudi

- Producing copper mine located in Tsumeb, northern Namibia
- Currently running at 17ktpa (the SX-EW plant's minimum design capacity)
- Ore Reserves[1] of 15.6Mt at 0.89% Cu for 138.2kt and Mineral Resources[1] of 51.0Mt at 0.76% Cu for 387.7kt
- Materially improved dewatering capabilities and strategy enabling stable path to growth
- Strong Resource base could support further production enabling potential mine life extensions
- Underexplored project area
- Modern processing facilities and robust infrastructure base

Central Operations

- Three underground mines and an 800ktpa copper concentrator, currently on care and maintenance
- The operations were in production until September 2015, producing high quality concentrate sought after for blending
- Mineral Resources[2] of 4.40Mt at 2.27% Cu for 99.7kt (Otjihase) and 1.34Mt @ 2.40% for 31.8Kt (Matchless)
- Otjihase and Matchless mines represent a significant low capital intensity restart opportunity with substantial cash flow enhancing opportunities including:
  - Capital realisation through optimised design
  - Improvement of exploration target through expansion and access to neigbouring compartments
  - Backfill optimisation to increase recovery

Berg Aukas

- Past-producing zinc-lead-vanadium project located near Tsumeb, Namibia
- Shafts and access development to 800m depth
- Ore Reserves[3] of 1.69Mt at 11.16% Zn, 2.76% Pb and 0.23% V_2O_5 (Cut off 5% Zn) and Mineral

- Resources[3] of 1.26Mt at 15.47% Zn, 3.84% Pb and 0.33% V_2O_5 (Cut off 3.0% Zn)
- Significant value enhancing opportunities including:
    - Shaft stripping / decline addition options allowing for larger equipment and mill expansion
    - Unlocking value from metal recovery from stock of historical tailings
    - Favourable vanadium pricing environment

Notes
[1] Total as at 30 June 2017. 100% basis.
[2] 100% basis. Mineral Resource statement for the Otjihase Mine is declared in terms of the JORC Code (2012 Edition) with an effective date of 31 March 2018. Matchless estimated tonnage based on Bara polygonal calculation.
[3] As at April 2013.

Financial Review

The purpose of this review is to provide a further analysis of the Group's consolidated 2019 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.

For the year ended 30 June 2019, the Group recorded a loss on ordinary activities after taxation of USD4.19 million (2018: USD7.60 million). The loss was largely due to provision of a full impairment of USD4.18 million against the recoverability of the outstanding loan from Plinian Guernsey, impairment charge of USD2.45 million against Prism Diversified Ltd (formally Ironstone Resources Ltd) and an impairment reversal of USD2.4 million against the carrying value of GCM Resources Plc. During the financial year the gain of fair value movement of the Group's financial investments was USD4.83 million.

The Group remained prudent in managing its administrative expenditure which stood at USD2.26 million compared to USD2.29 million in the previous financial year.

Basic loss per share for the year ended 30 June 2019 was USD1.34 cents (2018: USD2.44 cents).

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.

Financial Position

The Directors have reviewed the Group's budgets for 2019-2020, 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 13 December 2019, the Group had a net position of cash, receivables and short term investments of USD11.97 million (30 June 2019: USD11.71 million). Listed and unlisted investments at marked to market value, cost and valuation amounted to USD46.99 million (30 June 2019: USD52.62 million). The combined total of cash, receivables, payables, listed and unlisted investments was USD53.80 million as of 13 December 2019 (30 June 2019: USD60.16 million) which is equivalent to a Net Asset value of approximately 13.07 pence per Polo share (30 June 2019: 15.19 pence per share).

Outlook

Polo's investment exposure is now primarily centered around the energy sector and we are mindful of the growing importance climate change and the desire by all governments to reduce their CO_2 emissions is having on investors in terms of their investment decision focus and policy when it comes to investing in the hydrocarbon sector. Polo has always taken the view that we have to offer our shareholders a balanced investment portfolio. In the case of both Hibiscus and GCM we are mindful of the environmental footprint of both these investee companies. Whilst there is a global desire to reduce CO_2 and greenhouse gasses and for the world to transit much faster towards renewable energy, the transition will naturally take some time. In the mean-time industries still demand the supply of petroleum to support the day to day workings of the global economy and where in the foreseeable future Polo will remain committed to supporting Hibiscus which is a best in class oil and gas company recognised by a number of external verifications.

In the case of GCM we are confident that the development of Phulbari will see the latest highly energy efficient coal fired power generation plants being designed and built and that these will operate to the highest possible environmental standards. In particular these power plants will use leading-edge flue gas cleaning systems to protect air quality and cooling systems that minimise water consumption. We also envisage applicable CO_2 recovery systems will be incorporated as soon as the technology is available.

Polo remains focussed on supporting our current investee companies as our key priority heading into 2019. I would like to thank all our shareholders, partners and advisers for their continuous and unwavering support.

Datuk Michael Tang, PJN
Executive Chairman
19 December 2019

Group Statement of Comprehensive Income
for the year ended 30 June 2019

	Year ended 30 June 2019 $ 000's	Year ended 30 June 2018 $ 000's
(Loss) on sale of financial investments	**(895)**	-
Gain on fair value movement of financial investments	**4,828**	-
Investment income	**134**	241
Impairment of financial investments	**(2,450)**	(2,749)
Administrative & Exploration expenses	**(2,263)**	(2,291)
Share options expensed	**(213)**	(216)
Group operating (loss)	**(859)**	(5,015)
Share of associates results	**(1,572)**	(785)
Reversal of/(Impairment) of associate	**2,400**	(1,250)
Other loan provision	**(4,180)**	(916)
Finance revenue	**457**	370
Loss on disposal of subsidiary	**(436)**	-
(Loss) before taxation	**(4,190)**	(7,596)
Income tax expense	**-**	-
Retained (loss) for the year	**(4,190)**	(7,596)
Other comprehensive income		
Gain on market value revaluation of available for sale investments	**-**	20,334
Currency translation differences	**423**	107
Other comprehensive income for the year net of taxation	**423**	20,441
Total comprehensive income for the year	**(3,767)**	12,845
Retained (loss) for the year attributable to:		
Equity holders of the parent	**(4,186)**	(7,596)
Non-controlling interests	**(4)**	-
	(4,190)	(7,596)
Total comprehensive income for the year attributable to:		
Equity holders of the parent	**(3,763)**	12,867
Non-controlling interests	**(4)**	(22)
	(3,767)	12,845
(Loss) per share (US cents)		
Basic	**(1.34)**	(2.44)
Diluted	**(1.34)**	(2.44)

Group Statement of Financial Position
as at 30 June 2019

	30 June 2019		30 June 2018	
	$ 000's	$ 000's	$ 000's	$ 000's
ASSETS				
Non-current assets				
Tangible assets	-		2,475	
Interest in associates	3,083		2,134	
Financial investments	45,672		43,971	
Trade and other receivables	-		3,941	
Total non-current assets		48,755		52,521
Current assets				
Trade and other receivables	7,289		3,004	
Financial investments	3,868		6,816	
Cash and cash equivalents	550		1,260	
Total current assets		11,707		11,080
TOTAL ASSETS		60,462		63,601
LIABILITIES				
Current liabilities				
Trade and other payables	(300)		(3,320)	
TOTAL LIABILITIES		(300)		(3,320)
NET ASSETS		60,162		60,281
EQUITY				
Equity contribution	306,714		306,714	
Retained earnings	(264,727)		(280,215)	
Available for sale investment reserve	-		19,674	
Foreign exchange reserve	17,657		17,234	
Share based payments reserve	429		216	
		60,073		63,623
Non-controlling interest		89		(3,342)
TOTAL EQUITY		60,162		60,281

These financial statements were approved by the Board of Directors on 19 December 2019 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 2019

	Year ended 30 June 2019 $ 000's	Year ended 30 June 2018 $ 000's
Cash flows from operating activities		
Operating (loss)	**(859)**	(5,015)
Decrease/(increase) in trade and other receivables	**24**	(513)
(Decrease)/increase in trade and other payables	**(80)**	90
(Increase) in available for sale investments	**(1,203)**	(39)
Foreign exchange (gain)/loss	**(5)**	1
Share options expensed	**213**	216
Impairment of AFS investments	**2,450**	2,749
Net cash inflow/(outflow) from operating activities	**540**	(2,511)
Cash flows from investing activities		
Finance revenue	**6**	370
Equity purchases in associates	**(121)**	(530)
Loan (advanced) to third party	**(1,156)**	(184)
Net cash (outflow) from investing activities	**(1,271)**	(344)
Cash flows from financing activities		
Issue of ordinary share capital	**-**	-
Net cash inflow from financing activities	**-**	-
Net (decrease) in cash and cash equivalents	**(731)**	(2,855)
Cash and cash equivalents at beginning of year	**1,260**	4,010
Exchange gain on cash and cash equivalents	**21**	105
Cash and cash equivalents at end of year	**550**	1,260

Group Statement of Changes in Equity
for the year ended 30 June 2019

	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 2017	**306,714**	**(682)**	**17,127**	**454**	**(273,073)**	**50,540**	**(3,320)**	**47,220**
(Loss) for the year	-	-	-	-	(7,596)	**(7,596)**	**-**	**(7,596)**
Gain on market value revaluation of available for sale investments	-	20,356	-	-	-	**20,356**	**(22)**	**20,334**
Currency translation differences	-	-	107	-	-	**107**	**-**	**107**
Total comprehensive income	**-**	**20,356**	**107**	**-**	**(7,596)**	**12,867**	**(22)**	**12,845**
Share options expired	-	-	-	(454)	454	**-**	**-**	**-**
Share options charge	-	-	-	216	-	**216**	**-**	**216**
Total contributions by and distributions to owners of the Company	-	-	-	(238)	454	**216**	**-**	**216**
As at 30 June 2018	**306,714**	**19,674**	**17,234**	**216**	**(280,215)**	**63,623**	**(3,342)**	**60,281**
(Loss) for the year	-	-	-	-	(4,186)	**(4,186)**	**(4)**	**(4,190)**
Currency translation differences	-	-	423	-	-	**423**	**-**	**423**
Total comprehensive income	**-**	**-**	**423**	**-**	**(4,186)**	**(3,763)**	**(4)**	**(3,767)**
Share options charge	-	-	-	213	-	**213**	**-**	**213**
Total contributions by and distributions to owners of the Company	-	-	-	213	-	**213**	**-**	**213**
Transfer to retained earnings	-	(19,674)	-	-	19,674	**-**	**-**	**-**
Eliminated on disposal of subsidiary	-	-	-	-	-	-	3,435	3,435
As at 30 June 2019	**306,714**	**-**	**17,657**	**429**	**(264,727)**	**60,073**	**89**	**60,162**