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26 August 2020



POLO RESOURCES LIMITED

(“Polo” or the “Company”)

ANDINA GOLD – INVESTMENT UPDATE

Polo Resources Limited (AIM: POL), the multi-sector investment company with interests in oil, gold, coal, copper, phosphate, lithium, iron and vanadium, announces that Polo, in conjunction with Andina Gold Corp. (“Andina”), has entered into an Assignment of Rights Agreement with the Canadian listed company FenixOro Gold Corp (“FenixOro”). The Agreement is aimed at achieving some return on an investment of US\$4 million made in a greenfield gold exploration project in Colombia in 2011, as announced on 24 May 2011. Polo currently holds a 62% interest in Andina and has power of attorney to act on behalf of Andina.

Background:

In May 2011, the Polo completed an investment of approximately US\$4 million in the gold exploration company Andina. This investment allowed Andina to acquire a 100 percent interest in a greenfield gold exploration project in Colombia (the “San Bolivar Gold Project”) from R&C Group SAS (“R&C”) and other parties. At that juncture the San Bolivar Gold Project consisted of applications for 29 gold concessions in the highly prospective San Bolivar area which was regarded as Colombia’s third most important gold producing region. At the time of the investment the gold price had risen to circa US\$1,500/oz.

Unfortunately, unacceptable delays in registering the exploration licences resulted in Polo terminating the Andina joint venture and writing down its investment in the financial year ended 30 June 2012.

Polo has continued to pursue avenues for recovering the investment and legal action did deliver embargo and seizure rights over the mining titles of R&C. Polo’s concessions in the San Bolivar region are adjacent and contiguous to FenixOro’s own concessions and both companies believe there is mutual benefit in amalgamating the FenixOro concessions and Polo’s embargoed rights over the R&C mining titles.

FenixOro is a recently listed Canadian company with a focus on acquiring gold projects with world class exploration potential in the most prolific gold producing regions of Colombia. FenixOro has an agreement with a local legal Small Mining Association to earn 90% on two of its claims and owns the balance of its claims 100%. The newly elected Governor and Secretaria de Minas for Antioquia have been very supportive of sustainable modern mining development as a means of generating economic and social benefits, particularly in the current COVID-19 environment.

What the FenixOro deal means:

Polo and Andina have assigned their embargo and seizure rights over the mining titles of R&C to FenixOro for 1,000,000 common FenixOro shares at an issuance price of CN\$0.44 per share, for an aggregate share consideration value of CDN\$440,000. The shares are subject to a moratorium until the earlier of 21 February 2022 or the date Andina is formally awarded the mining titles by the relevant Court.

Through the equity position in FenixOro, Polo believes there is potential for upside from exploration of the amalgamated block, particularly at this time of surging gold prices. FenixOro has already experienced an increase in share price from CA\$0.21 to CA\$0.53 over the past six months.

In addition to the Assignment of Rights agreement with FenixOro, Polo is also endeavouring to recover some US\$3 million in surface fees that were paid in advance for Mining Titles to Colombia's National Mining Agency.

For further information, please contact:

Polo Resources Limited +27 (0) 787 312 919
- Kudzayi Denenga, Investor Relations

Allenby Capital Limited (*Nominated adviser & broker*) +44 (0)20 3328 5657
- John Depasquale

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