

27 November 2018



POLO RESOURCES LIMITED

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

GCM RESOURCES PLC – INVESTMENT UPDATE

MOU with PowerChina

Polo Resources Limited (AIM: POL), the multi-sector investment company with interests in oil, gold, coal, copper, phosphate, lithium, iron and vanadium, notes that its 19.84% investee company GCM Resources Plc ("GCM") (AIM: GCM), has advised that it has agreed a memorandum of understanding ("MOU") with Power Construction Corporation of China, Ltd ("PowerChina").

The MOU embodies the principles of a cooperative relationship between the two parties to develop the Company's proposed coal mine as well as power plants generating up to 4,000MW at the mine site, and sets out the steps towards a future Joint Development Agreement, obtaining approval from the Government of Bangladesh and subsequent development of both the mine and power plants generating 4,000MW.

The principal terms of the MOU are as follows:

- Activities towards development are identified as being investment, planning, approval, financing, ownership, design, construction and operation of the proposed mine and power plants;
- The equity holdings of the coal mine and power plants generating 4,000MW shall be agreed in a future Joint Development Agreement;
- GCM shall assist PowerChina in providing technical and regulatory assistance in completing their feasibility and viability studies;
- GCM shall permit PowerChina to form an investment consortium with other investors acceptable to GCM;
- PowerChina will undertake feasibility and viability studies of the integrated coal mine and power plants generating 4,000MW;
- PowerChina will facilitate the inclusion of the Phulbari Coal and Power Project as a One Belt, One Road Initiative of the People's Republic of China;
- The MOU shall be valid for six months, but shall expire in the event that the parties undertake a new agreement which supersedes the MOU, or if either party decides to terminate the agreement, giving 60 days' notice; and
- The MOU sets out a projected timeframe of concluding a Joint Development Agreement with the parties by 31 December 2018, and subsequently submitting a formal proposal to the Government of Bangladesh by 28 February 2019.

PowerChina is a State-owned Key Enterprise of People's Republic of China, and is a world-leading integrated engineering construction group. In 2018, PowerChina ranked 182nd among Fortune Global 500, 41st among Top 500 Enterprises of China, came 6th in the list of the world's 250 largest global contractors and placed 2nd among top 150 engineering design companies worldwide according to Engineering News-Report.

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

"I am delighted to have concluded this MOU with PowerChina, our new highly esteemed strategic partner and would like to thank them for their support and enthusiasm in finalising the agreement. GCM's strategy is to present a holistic power solution to the Government of Bangladesh which can generate 6,000MW for the country. This MOU is another strong step in this direction, and I am excited by the momentum which is being built towards our goals. We are confident that the Phulbari Coal and Power Project will deliver substantial benefits for the Government, the people of Bangladesh and our shareholders."

Mr. Pan Dengyu, Vice President of PowerChina Eurasia and the authorized person for this Project, stated: "PowerChina is excited to be partnering with GCM to deliver an integrated mine and power plant generation for the people of Bangladesh. We look forward to working with Datuk Michael Tang PJN and his team to deliver a world class proposal acceptable to the Government of Bangladesh."

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

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About the Company

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