his 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.

30 March 2020

Polo Resources

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 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 unaudited results for the six months ended 31 December 2019.

Financial Summary:

- Total Net Assets for the six months ended 31 December 2019 were USD53.89 million (30 June 2019: USD60.16 million).
- Total Net Assets of USD28.61 million as of 20 March 2020 (31 December 2019: USD53.89 million).
- Net Asset Value per share as at 20 March 2020 was approximately 7.94 pence per share (31 December 2019: 13.18 pence per share).

Chairman's Statement

Introduction

As I write my statement for these Interim Results, I do so during a period of significant economic uncertainty caused about by the effects of the COVID-19 virus, an event which has caused an exogenous economic shock to the world economy. Whilst China was the first country to feel the economic and social impact of COVID-19, it appears that it will also be the first country to come through this problem, where it is beginning to take slow steps towards economic normality.

The impact of COVID-19 on public markets is profound and where most major global stock exchanges are seeing huge and unprecedented equity sell offs and market volatility.

At this difficult time, Polo's responsibility to shareholders is to keep a tight focus on our day to day operating costs, whilst at the same time lending our support where needed to our investee companies. At present I see no further calls upon Polo to provide financial support to our investee companies in the near future and little downside risk to our shareholding position in terms of dilution.

Polo remains a low cost, public listed investment company with a portfolio of investments that are well positioned for when the market upturn occurs. In the meantime Polo is focussed on meeting its regulatory and corporate governance requirements and providing our shareholders with as much information as possible related to the commodity markets where we have investment exposure. The period under review has seen significant progress made across by two of our investee companies, Hibiscus Petroleum Berhad ("Hibiscus" - Oil and Gas) and GCM Resources pls ("GCM" – Coal and Power); and noteworthy progress by Celamin Holdings Limited ("Celamin" - Phosphate, Zinc and Lead) and PRISM Diversified Ltd ("Prism" - Strategic Metals and Advanced Materials).

Hibiscus recently reported that the average gross oil production from its North Sabah asset improved by approximately 20% in the period ended 31 December 2019 ("2Q FY2020") compared to the previous financial quarter. This additional oil production was delivered through infill drilling projects carried out as part of an aggressive production enhancement programme executed in calendar year 2019. However, following recent macroeconomic headwinds such as the impact of the coronavirus and the Russia/Saudi Arabia price war, Hibiscus has provided guidance on its situation.

On 10 March 2020, Hibiscus announced that the company remains on track to achieve its total production target of delivering between 3.3 million barrels of oil ("MMbbls") and 3.5 MMbbls in the financial year ending June 30, 2020 ("FY2020") based on the combined production from the Anasuria Cluster (U.K North Sea) and North Sabah. However, the company warns that there may be revisions to this target as there could be an advantage to execute maintenance activities, which require a shutdown, during this period of low prices.

As part of the initiative to preserve cash, Hibiscus' capital projects to enhance production scheduled for this year's execution will also be revisited and only projects showing viability and a reasonable payback period will be pursued, while projects that promise only mid to long term returns will not be pursued as aggressively as originally anticipated. However the they remain focused on new ventures and this lower oil price environment could potentially be advantageous in acquiring assets at a reasonable price to boost overall oil production.

As a measure of the robustness of our investment in Hibiscus, the market was buoyed by their announcement of 17 March 2020 where they announced they had procedures in place to protect personnel and would continue to operate, vis-à-vis North Sabah, during the "14-day Movement Control Order" imposed by the Malaysian government in response to the Covid-19 outbreak.

GCM made significant progress towards delivering against its Strategy of presenting a comprehensive Power Solution to the Bangladesh Government based on a 15 million tonne per annum "captive" coal mine in the Phulbari Coal Basin, feeding power plants with a combined capacity 6,000MW utilising highly energy-efficient Ultra-supercritical boiler technology.

Working under joint-venture arrangements, GCM and the internationally renowned PowerChina completed the full Proposals adhering to Bangladesh Power Development Board requirements for the Phase I and Phase II each being 2 X 2,000MW for a total 4,000MW.

GCM also entered into an MOU with PowerChina and NFC (China Non-ferrous Metal Industry's Foreign Engineering and Construction Co. Ltd) to assist with development of the Phulbari coal mine itself. NFC successfully completed their Due Diligence studies at the end of 2019 and the intention is to establish a formal joint venture arrangement.

The Phulbari Coal and Power Project a "Mega Project" and will mobilise some US14.5 Billion Foreign Direct Investment. On 26 March 2020, GCM announced that it had prepared the Project Proposal is working with its local consultant, DG Infratech, to ready it for submission to the Bangladesh Government. However, GCM also noted that the COVID-19 pandemic was already impacting its timelines, given that Bangladesh Government is taking actions in line with that of governments worldwide to deal with pandemic.

Celamin continues to succeed in its efforts to regain control of the Chaketma Phosphate Project ("Chaketma") following the illegal transfer of its interest by Tunisian Mining Services ("TMS"). On 14 February 2020, the company announced that the Tunisian Court process to return Celamin's interest in Chaketma had moved to the final phase which was expected to take up to three months. This process does not interfere with Celamin's parallel actions to seize assets held by TMS linked to recovering the damages and costs awarded to Celamin (amounting to some US$4.4m).

Celamin provided a further update on 20 March 2020 that the “urgent application to compulsorily effect the transfer of its interest from TMS back to Celamin” scheduled for hearing 18 March 2020 has been delayed owing to the Tunisian Courts being temporarily closed due to the Coronavirus. The company’s Managing Director was in country for the hearing and was advised the Courts are expected to re-open in April. The company also advised an expert had carried out a valuation of assets seized from TMS and that it expects, following Courts re-opening, there will be a public auction of these assets. A judge would then determine the amount of funds Celamin would receive to partly offset the monies owed.

In the 20 March 2020 update, Celamin announced it had received AUD328,668 additional funds following the early exercise of options. There remains ASX listed options exercisable at AUD0.05 that could further realise some AUD3,180,761, however, these will expire on 18 May 2020.

Prism has until recently been very much stuck in a research and development arena. However, new management has taken steps to positioning the company as a leading, vertically integrated supplier of strategic metals and advanced materials used in many fast growing high-tech and industrial manufacturing applications. The company’s competitive position will be underpinned by the very low energy cost in Alberta, Canada where the company operates.

PRISM’s initial range of products will include iron powders (carbonyl and atomised), vanadium and cobalt powders 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, to name a few.

Additionally, PRISM intends to enter the lithium market and as such has secured a notable mineral tenure with a lithium potential and is co-developing LiREC® lithium direct extraction technology for producing lithium from brines.

Portfolio Overview

Hibiscus Petroleum Berhad (“)

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.

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 described as a “game-changer” and iv) 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 MMbbls, subject to an independent 3rd party expert assessment.

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. The company continues to operate debt-free with its activities and acquisitions to-date funded through a combination of equity and internally generated funds.

Quarterly Report for the Quarter Ended 31 December 2019

The Group reported that average gross oil production from its North Sabah asset improved by approximately 20% compared to the previous financial quarter. This additional oil production was delivered through infill drilling projects carried out as part of an aggressive production enhancement programme executed in calendar year 2019. This programme involved drilling a total of nine wells in Malaysia and the United Kingdom and demonstrated Hibiscus Petroleum's commitment towards growing its business in these areas.

For its 2Q FY2020 results, the Group announced Revenue of RM271.8 million (USD62.18 million) and a PAT of RM51.2 million (USD11.71 million), from the sale of 921,156 barrels of oil. EBITDA for the period was RM142.3 million (USD32.56 million) with a strong EBITDA margin of 52.4%.

Events Subsequent to Reporting Date

Corporate and Business Update

On 10 March 2020, Hibiscus announced a Corporate and Business Update outlining the Group's targets and initiatives following the COVID-19 outbreak and the recent OPEC+ alliance breakup.

Highlights:

- The confluence of the COVID-19 outbreak and OPEC+ alliance breakup has adversely impacted crude oil prices.
- Hibiscus on track to deliver three offtakes in 3Q FY2020 across North Sabah and Anasuria; two offtakes already conducted in February 2020. Three further offtakes expected in 4Q FY2020.
- Total production is still on track to hit target of 3.3 – 3.5 MMbbls of oil delivered in FY2020.
- Maintaining net positive operating cashflows by managing OPEX.
- CAPEX to be selectively deferred if period of low crude prices is prolonged.
- Initiatives on new ventures to continue.

Market Environment

Oil prices are currently being impacted by:

- A supply overhang caused by increasing US production, and demand overhang caused by the US- China trade war;
- A reduction in global oil demand caused by the coronavirus, COVID-19, as sectors like transportation are affected due to restrained movement and travel. As shown in Figure 1 of Hibiscus's announcement, in February 2020, global oil demand contracted by 2.0 million barrels per day ("MMbbls/day") y-o-y, mostly from China. While there is some downside risk to the forecast, the expectation is for a recovery in the second half of calendar year 2020; and
- The failure of OPEC and Russia to come to an agreement on further production cuts amid the coronavirus outbreak and the subsequent price war initiated by Saudi Arabia have resulted in production are believed to be an attempt to secure a positive outcome from the next meeting of the OPEC Conference in June 2020.

Hibiscus provides the following guidance on its situation:

Offtakes and Revenue

At times of low oil prices, produced volumes are important and in this regard, Hibiscus confirms that a total of three crude oil offtakes were planned for the Quarter ending 31 March 2020 ("3Q FY2020") across both the North Sabah and Anasuria assets. Two crude oil offtakes were conducted before the sharp drop in crude oil prices, with the third planned for March 2020. Looking ahead to the Quarter ending 30 June 2020 ("4Q FY2020"), Hibiscus targets a further three offtakes, bringing the total offtakes for FY2020 to eleven.

For 2Q FY2020, net daily oil production at the North Sabah and Anasuria assets were 6,318bbls/day and 2,680bbls/day respectively. For the months of January and February 2020, the production from both assets has exceeded the levels recorded in 2Q FY2020. Total production remains on track to achieve the company's FY2020 target of delivering between 3.3 – 3.5 MMbbls of oil. There may be revisions to this target as there could be an advantage to execute maintenance activities which require a shutdown, during this period of low prices. This will allow future production to be optimised through higher uptime and potentially higher realised prices.

Initiatives to Reduce Costs Remain a High Priority

The 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. This is particularly important in times of low crude oil prices.

For guidance, Hibiscus highlights in Figure 2 of its announcement, the historical average unit production costs (OPEX per boe or OPEX per bbl) for both the Anasuria and the North Sabah assets. These have been below the average realised oil price achieved in previous quarters. Furthermore, in times of low crude prices, costs of oilfield services generally reduce and the company has already commenced discussions with key service providers to determine if any efforts can be made in this area so that unit production costs are further reduced.

CAPEX

As part of the company's initiative to preserve cash, capital projects to enhance production scheduled for calendar year 2020 execution will be revisited and oilfield service contractors will be requested to further optimise their pricing levels. Only projects showing viability and a reasonable payback period will be pursued, while projects that promise only mid to long term returns will not be pursued as aggressively as originally anticipated.

Impairment Assessment

The company, in conjunction with its external auditors, conducts impairment assessments on all of its assets on an annual basis at the end of each financial year. Hibiscus will continue this practice as a normal course of business. Figure 3 of Hibiscus' announcement shows the company's Net Assets per Share at the end of the last five financial years.

New Ventures

Oil and gas producing assets have been coming onto the market, partially spurred by supermajors looking to rationalise their portfolio. Due to lower oil prices, there could be a slowdown in these type of M&A opportunities.

Despite the weaker sentiment, the company remains focused on new ventures. This lower oil price environment could potentially be advantageous in acquiring assets at a reasonable price to boost the company's oil production.

HSSE Measures in Dealing with COVID-19

The company takes the threat of the COVID-19 outbreak seriously and has enacted various directives to counteract its spread and impact. Guidelines issued apply to all staff, contractors and visitors to any of the company's locations.

GCM Resources Plc ("GCM")

GCM's strategy is to present a comprehensive power solution to the Bangladesh Government, based on a 15 million tonne per annum "captive" coal mine in the Phulbari Coal Basin, feeding power plants with a combined capacity of 6,000MW, utilising highly energy-efficient ultra-supercritical boiler technology, and we continue this progress into 2020. Furthermore, it aims to deliver electricity at the lowest fuel cost and most attractive tariff measured against any of the currently planned coal-fired power plants in Bangladesh.

Key to the success of the Phulbari Coal and Power Project ("the Project') is the development of this large-production coal mine, based on the world class coal resource of 572 million tonnes (JORC 2004 compliant). However, the mine's economic sustainability will be dependent of having a reliable domestic market for all of its coal production, i.e. it must have coal purchase agreements with power plants. To this end GCM has worked closely with highly experienced power plant development partners being the China Central State-Owned Enterprises POWERCHINA and CGGC (China Gezhouba Group International Engineering) and has also brought in a potential mine development partner, NFC (China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd.).

GCM and POWERCHINA have already signed Joint-Venture Agreements for Phases I and II (total 4,000MW) with each being for the implementation of 2X1000MW Ultra-Supercritical Coal-fired Power Plants on a Build, Own and Operate basis. Proposals for these two Phases have been completed following Bangladesh Power Development Board ("BPDB") qualification requirements and are ready to be submitted.

Proposal document for Phase III, also being for a 2X1000MW Ultra-Supercritical Coal-fired Power Plant, is planned to be submitted to BPDB in due course.

As an alternative it would be possible to supply coal to other coal-fired power plants already approved and/or Initiated by the Government. But it is crucial that "phased development" of the power plants and/or supply of coal to other power plants must be aligned with the mine's ramp-up to its full production of 15 million tonnes per annum thus ensuring the captive coal mine has a market for its full production and that the Project remains long-term economically sustainable.

As the world is confronting climate change and looking for ways to increase power generation, whilst simultaneously reducing greenhouse gas production, GCM has taken steps to incorporate "high efficiency, low emission" (HELE) coal-fired power plant technology into the Project. Over the past decade, developments in HELE technology have moved coal-fired power plant energy efficiency from circa 35% to 43-44% using the ultra-supercritical technology and this trend is expected to continue over the next 5 years, with "advanced ultra-supercritical plants" expected to further increase energy efficiency towards 50%, with greatly reduced CO_2 emissions. This technological advance is highly relevant to GCM, as it is expected to happen within the 10-year timeframe that is estimated for the installation of the 6,000MW Phulbari Coal and Power Project.

Celamin Holdings Limited ("Celamin")

Celamin remains focused on regaining control of the Chaketma Phosphate Project in Tunisia ("Chaketma") following the illegal transfer of its interest by Tunisian Mining Services ("TMS"). Chaketma is a potential large-scale, world class phosphate development asset, which comprises six prospects over a total area of 65km^2. It hosts a total JORC compliant Inferred Resource of 130Mt @ 20.5% P_2O_5 (See ASX announcements dated 9 November 2012 and 18 June 2013), confirmed from drilling at only two of the project's six prospects with access by road and proximal to rail and gas pipelines

As announced in Celamin's June 2019 Quarterly Activities Report, following the favourable decision by the Court of Appeal in April 2019, TMS lodged an appeal. The Court of Cassation dismissed this appeal on 23 September 2019 and by doing so, denied TMS any further legal challenges to prolong the return of Celamin's 51% interest in Chaketma and the payment of damages. TMS is compelled to effect this transfer without delay.

Post the reporting period, on 14 February 2020, Celamin announced that the Court process to return Celamin's interest in Chaketma has moved to the final stage. The baliff acting for Celamin has served transfer documents on TMS to effect the return of Celamin's interest in Chaketma. This process is expected to take one to three months.

The administrative procedure to regain control of Chaketma is distinct from the damages owed to Celamin by TMS and, accordingly, absent reaching an amicable settlement with TMS, the actions Celamin has initiated to seize assets held by TMS will continue. Upon the conclusion of each of these actions, Celamin will receive funds from the sale of these assets.

Celamin reports that the first hearing for the urgent application to return its interest in Chaketma Phosphates SARL ("CPSA") has occurred with the second hearing scheduled for 4 March 2020. This application is expected to be concluded in the next 6 to 8 weeks, however, this timeframe is also dependent on the Tunisian Courts schedule as determined by the Tunisian Government's actions in dealing with the COVID-19 virus pandemic.

Early engagement with technical groups ahead of anticipated feasibility study

Following a review of work completed prior to the illegal transfer of its interest in Chaketma, Celamin has short-listed several technical groups to complete a gap analysis and/or desktop study ahead of commencing a detailed feasibility study. This initial work will focus on the additional information required for the anticipated staged development of a multi-decade phosphate project via either a simple rock phosphate export mine or an integrated chemical fertilizer project.

Stage 1 - Rock Phosphate Export Mine

- A scoping study completed in 2012 (announced 14 August 2012) confirmed the potential for a simple rock phosphate export operation.
- This scoping study can be readily updated by reference to revised metallurgy test-work completed in mid-2014 (announced 25 July 2014) and various other updated inputs.

Stage 2 - Integrated fertiliser/phosphoric acid plant

- Stage 2 of the anticipated development of Chaketma is expected to include an assessment of an integrated fertiliser/phosphoric acid plant.
- As announced in Celamin's December 2018 Quarterly Activities Report, the company has secured the services of Mr Brian Campbell, a noted phosphate specialist. Brian also has access to the PyroPhos™ Processing technology that, assuming planned demonstration plants are successful, may have a global impact on the manner in which phosphoric acid is produced.
- The PyroPhos™ Process Route uses of the well-understood Top-Submerged Lance technology used in base metal production to produce either liquid fertiliser/Diammonium Phosphate/Monoammonium Phosphate and/or food / feed grade phosphoric acid.

In order to advance the staged development of Chaketma, Celamin has continued constructive discussions with international institutional financiers, off-take partners, infrastructure groups and the government of Tunisia and remains committed to seeing the full potential of Chaketma being realised for the anticipated demonstrable benefits to the local community and the positive impact on foreign direct investment in Tunisia should the Chaketma project be advanced.

<u>Zinc-lead projects advance</u>

Celamin's primary focus is the development of the Chaketma Phosphate Project in Tunisia, however, the Djebba and Zeflana projects are both highly prospective base metal projects in the Atlas Zinc-Lead Belt where high impact, low-cost exploration activities can be completed.

The areas around Djebba and Zeflana are known to host historical zinc-lead mines and have not had the benefit of modern exploration technologies. The original permits (Djebba and Zeflana), held 100% by a wholly owned subsidiary, were granted in early July 2018 and are eligible for two three-year extensions. Celamin lodged contiguous applications to both project areas in order to ensure that should initial exploration results demonstrate potential to host economic mineralisation, it would not be restrained by the immediate boundaries of the original permits. Post the reporting period reported that the additional permit for Djebba was granted in January 2020, and now the Zeflana extensions have been granted in February 2020. These permits are granted for an initial period of three years with two three-year extensions. The total area around Zeflana now held by Celamin amounts to 88km2.

The additional areas contiguous with the original Zeflana permit were secured based on previous soil sampling work completed by Zinifex and Oz Minerals that delineated multiple zinc anomalies.

Whilst Djebba has a known historical mineral resource estimate as previously announced (See ASX announcement 31 October 2018 – Djebba Zinc-Lead Project - Historical Resource Estimate), Zeflana was considered earlier stage although prior work in 2008 by Zinifex and Oz Minerals had defined large zinc anomalies from prior soil sampling programs. Celamin is pleased to note the evidence of historical base metals mining on the Zeflana permit at Sidi Abdullah, where several mine shafts and adits were discovered.

Celamin continues to plan and prepare for field work at these projects which will include mapping, soil sampling and geophysical surveys.

While the recovery of the company's interest in Chaketma and the payment of damages and costs to Celamin by TMS remains Celamin's primary focus, Celamin will continue to review opportunities in Tunisia with a focus on the world class potential for phosphate and base metal orebodies.

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 ("Mt") 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 96Mt 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.

During the second half or 2019, PRISM Diversified Ltd. has embarked on a CAD5.0 million capital raise to complete the Pre-Feasibility Study ("PFS") and Bankable Feasibility Study ("BFS") for its proposed Clear Hills Metallic Powders Project as well as to commercialize the LiREC® lithium direct extraction technology, being developed jointly with a research group based in Vancouver, Canada.

The PFS/BFS study is being conducted by DRA Global and Vapour Metallurgy Innovations Inc. PRISM anticipates an initial 30,000 tonnes per annum production of iron powders from a modular operation that can be easily expanded to meet the growing global demand for metal powders. Production is expected to commence in 2022, subject to successful funding.

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.

Blackham generated a strong net profit for the half-year ended 31 December 2019 of AUD24 million, including AUD19 million relating to the sale of non-core assets. Gross profit and cash flows from operations of AUD7 million and AUD7 million respectively illustrated the operational turnaround from prior periods' mining investments, underpinned by gold production of 37,568oz at an All in Sustaining Cost ('AISC') of AUD1,524/oz.

Owing to a combination of strong operating performance, the realisation of value from the sale of non-core assets, and proceeds from equity transactions, the company was able to achieve significant balance sheet repair including: reduction in trade payables of AUD11 million; and total debt reduction of AUD9 million, including the extinguishment of a Convertible Note debt. Additionally, there was significant investment into preproduction mining areas, in particular at the Williamson open pit mine where AUD8 million of the total AUD10 million contribution in relation to the Lake Way Transaction (See ASX announcement dated 23 July 2017) was realised. Key business development activities in the six months included the successful completion of the Stage 1 Expansion Study (See ASX announcement dated 23 December 2019), the refurbishment of the Rod Mill (providing additional mill throughput) (See ASX announcement dated 12 February 2020) and exploration activities which included the delineation of further Golden Age underground extensions.

As at 31 December 2019, the company had AUD5.7m in cash and bullion (cash of AUD0.7 million, bank guarantees of AUD0.6 million and bullion of AUD4.4 million) (30 June 2019 - AUD4.2 million). Net debt at 31 December 2019 was AUD1 million (30 June 2019 - AUD11.8 million). The face value of debt decreased to AUD6.5 million having fully discharged the funding facility held with an entity managed by The Lind Partners ("Lind"), which was settled through a cash payment of AUD1.625 million and the issue of 144,444,445 fully paid ordinary shares in Blackham. Debt as at 31 December 2019 was comprised of the loan payable to MACA (face value of AUD6.2 million) and leases (AUD0.3 million). In addition, total trade and other payables reduced by AUD11.0 million for the period.

The Lake Way Transaction was completed in early October 2019, with AUD8 million of the total AUD10 million contribution to Williamson mining incurred as at 31 December 2019. During the Dec'19 quarter Salt Lake Potash also exercised its option to acquire the Southern Borefield infrastructure for consideration of AUD3 million. The consideration is payable before 30 June 2020.

Gold sold during the half-year was 38,236oz @ AUD1,984/oz. There were 2,000oz of forward gold sales contracts in place at 31 December 2019, at an average price of AUD2,162/oz, maturing 31 January 2020. In addition, Blackham has purchased further revenue protection via put options, which provide the Group the right (but not the obligation) to sell 24,000oz at a minimum price of AUD2,019/oz between Jan'20 and Jun'20 inclusive.

Post the reporting period, n 28 February 2020, Blackham announced that it has recently implemented additional hedging activities, with gold forward sales contracts for 6,000oz at an average price of AUD2,328/oz, maturing by 30 April 2020. Blackham also has additional revenue protection via put options, which provide the company the right (but not the obligation) to sell 20,000oz at a minimum price of $2,018/oz between Feb'20 and Jun'20 inclusive.

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.

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.

The Administrators report that there is anticipated to be a shortfall to the company's creditors, and as such there will not be a return to the company's shareholders.

Nimini Holdings Limited ("Nimini")

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 maneuver 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 (15.57%)
- Universal Coal Resources Pte Ltd (redeemable convertible note)

Phosphate asset:
- Celamin Holdings Limited (18.23%)

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

Gold assets:
- Blackham Resources Limited (0.44%) (diluted following a rights issue and new share issue)

Copper asset:
- Weatherly International Plc (5.2%)

Various liquid short-term investments.

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
30 March 2020

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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

Investment Update

Oil and Gas

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.

United Kingdom North Sea

Anasuria Cluster: Production Operations

As of 31 December 2019, the company's indirect wholly-owned subsidiary, Anasuria Hibiscus UK Limited ("Anasuria Hibiscus UK") has been involved in the joint operations of the Anasuria asset for over three years. Figure 1 shows the operational performance achieved by the asset, based on Anasuria Hibiscus UK's 50% participating interest, for the Current Quarter, as well as for the prior three financial quarters:

	Units	**Oct. – Dec. 2019**	**Jul. – Sept. 2019**	**Apr. – Jun. 2019**	**Jan. – Mar. 2019**
Average uptime	%	85	77	87	71
Average daily oil production rate	bbl/day	2,680	2,386	2,662	2,504

Average daily gas export rate @	boe/day	288	204	390	274
Average daily oil equivalent production rate	boe/day	2,968	2,589	3,053	2,778
Total oil sold	bbl	249,704	272,345	302,139	249,116
Total gas exported (sold)	mmscf	159	112	213	148
Average realised oil price	USD/bbl	68.67	58.41	66.84	60.39
Average gas price	USD/mmbtu	1.62∞/ 4.02#	1.04 ∞/ 2.52 #	1.42 ∞/ 3.39 #	2.63 ∞/ 5.98 #
Average OPEX per boe	USD/boe	22.64	26.04	20.93	23.27

Figure 1: Operational performance for Anasuria.

Notes to Figure 2:
@ Conversion rate of 6,000 standard cubic feet ("scf") per boe.
∞ For Cook field.
 # For Guillemot A, Teal and Teal South fields.
boe – bbl of oil equivalent. mmscf – million standard cubic feet. mmbtu – million British thermal units.

The average uptime and average daily oil equivalent production rate at the Anasuria asset achieved for the Current Quarter of 85% and 2,968 boe per day exceeded that of the Preceding Quarter. One crude oil offtake was conducted at Anasuria during the Current Quarter, in which 249,704 bbls of oil net to Anasuria Hibiscus UK was sold at an average realised oil price of USD68.67 per bbl. The average OPEX per boe in Anasuria for the Current Quarter was USD22.64 per boe, which is lower than USD26.04 per boe in the Preceding Quarter.

In October 2019, a diving campaign to conduct well inspections and maintenance, as well as to install a gas lift jumper to the recently drilled GUA-P1 side-track well, was successfully executed. Whilst production was partially impacted, the gas lift jumper will allow future production from the GUA-P1 side-track well to be enhanced once the company commences gas lifting the well.

After the diving campaign, an extensive well test programme was undertaken in November 2019 to identify the optimal well configuration with focus on the Guillemot A field. The production from this field is currently limited due to a bottleneck in the existing subsea infrastructure. The well test programme, the first extensive flow trial since the acquisition of Anasuria, achieved its objective as an optimal well configuration has been identified. Furthermore, data obtained is being used in the assessment to debottleneck the Guillemot A subsea infrastructure ("Subsea Debottlenecking Project").

Operationally, a significant review of the company's operating strategies, maintenance systems, and organisational capability is underway as part of an overall initiative to carefully manage costs. Planning is ongoing for a 40-day offshore turnaround of the Anasuria FPSO in FY2021 to improve the reliability and integrity of the Anasuria FPSO as well as to continuously ensure a safe working environment. Several minor production enhancement projects are also included in the scope of this turnaround.

In the Current Quarter, Anasuria Hibiscus UK invested approximately RM16.5 million (USD3.76 million) in capital expenditure in the Anasuria Cluster which is primarily attributed to the GUA-P1 Side-Track Project as well as for the upgrade and replacement of facilities related to the Anasuria FPSO.

United Kingdom North Sea – Anasuria Cluster: Cook Water Injection Project Update

Anasuria Hibiscus UK together with its partners in the Cook field had, in May 2018, sanctioned the Cook WI project. Ithaca is the operator of the Cook field. This project involved the drilling of a water injection well into the Cook field to increase its reservoir pressure. It is expected that an increased reservoir pressure will result in an improved oil and gas production rate as well as an improved recovery of hydrocarbons from this field.

The water injection well was completed as planned on 25 May 2019. Subsequently, the installation of a subsea pipeline to link the water injection well to the Anasuria FPSO was carried out in the

Current Quarter and injection of water into the Cook field reservoir commenced on 3 October 2019. The total capital expenditure net to Anasuria Hibiscus UK estimated for this project is RM52.0 million.

In December 2019, the injection of water ceased due to a failure of a subsea component. Ithaca, the operator of this field, is currently undertaking an investigation into the root cause of the failure and will provide an update to the Cook joint-venture on the way forward in due course. At this point in time, production from the Cook field is still continuing.

United Kingdom North Sea – Anasuria Cluster: GUA-P1 Side-Track Project Update

The GUA-P1 Side-Track project ("GUA-P1 ST") was an opportunity to re-enter the existing GUA-P1 wellbore and drain additional volumes of hydrocarbons from the Guillemot A field. Operations on GUA-P1 ST commenced in May 2019 and subsequently completed in August 2019. Additionally, the final scope of this project to install a gas lift jumper to enhance production was conducted as part of a diving campaign executed in October 2019. Since completion of the project, the well has been placed in production and is being monitored for sand and H_2S production. More recently, gas lifting of this well has also commenced. The total capital expenditure net to Anasuria Hibiscus for this project was approximately RM97.1 million (USD11.90 million).

United Kingdom North Sea – Marigold Cluster

On 17 October 2018, the Group announced that its indirect wholly-owned subsidiary, Anasuria Hibiscus UK, had completed the transaction to acquire a 50% interest in the UK Continental Shelf Petroleum Production Licence No. P.198 Block 15/13a and Block 15/13b (collectively referred as "Blocks") from Caldera Petroleum (UK) Ltd for a purchase consideration of USD37.5 million. The Blocks are located offshore, in 140 meters water depth, in the UK sector of the North Sea, approximately 250km northeast of Aberdeen.

On 12th December 2019, the Group announced that Anasuria Hibiscus UK completed the Sale and Purchase Agreement ("SPA") to acquire 100% interest in Blocks 15/18d and 15/19b (Licence No. P2366) containing the Crown oil and gas discovery from United Oil and Gas Plc ("United") and Swift Exploration Ltd. ("Swift") for a total cash consideration of up to USD5.0 million, to be paid based on a combination of a series of milestones and an overriding royalty scheme.

The Group has defined the Marigold Cluster to currently include the following licenses (and fields):

- P198 - Block 15/13a (Marigold Discovery);
- P198 - Block 15/13b (Sunflower Discovery); and
- P2366 - Blocks 15/18d and 15/19b (Crown Discovery).

Block 15/13a contains a significant oil-bearing discovered field ("Marigold"), whilst Block 15/13b which lies northeast of Block 15/13a contains a smaller discovered field ("Sunflower"). Based on an independent report by AGR TRACS International Limited (which was conducted as part of the due diligence exercise to acquire the Blocks in October 2018), 2C Resources in the Blocks is estimated to be 60.0 million bbls of oil (30.0 million bbls of oil net to Anasuria Hibiscus UK). The company is currently performing Independent Reserves Assessments of Marigold, Sunflower and Crown and expects to make further disclosure regarding the Marigold Cluster 2C Resources once these assessments have been completed.

Hibiscus was appointed Exploration Operator of the Blocks effective 12 February 2019 and ahead of the 31 March 2019 target date set by the UK Oil and Gas Authority ("OGA"). A dedicated project team, located in Kuala Lumpur with a modest presence in Aberdeen, Scotland, has been established to execute the project. The project team has been tasked to conduct the subsurface field development and engineering studies and, with the support of third-party contractors, execute the project.

The first project phase called "Concept Select" has been completed. The selected concept will develop the fields via directionally and horizontally drilled subsea wells tied back to a Floating Production, Storage and Offloading Facility ("FPSO") with flexible flowlines and control umbilicals. This concept was approved by the OGA on 15 October 2019.

Since that time, an expanded project team has been finalising the field development plan and conducting Front End Engineering Design ("FEED") studies to establish a field development plan, environmental impact assessment and production facilities required for the development. The project will be executed in two phases to reduce project risks due to subsurface uncertainties. The first phase of the development will involve the drilling of three subsea wells in Marigold alone and if this development phase is successful will result in a second project phase where additional wells will be drilled in Marigold. Other fields including Sunflower and Crown will be also be drilled and tied back to the FPSO. A final investment decision and regulatory approvals for Marigold Project Phase 1 are expected by the end of CY2020.

Licence No. P2366 is located offshore in the UK sector of the North Sea, approximately 250km northeast of Aberdeen and 12km southeast of the Marigold field, and includes the Crown discovered field which consists of 2C Resources of between 4 to 8 million bbls of oil, subject to an independent third-party expert's assessment.

The rationale for this transaction was to secure additional 2C Resources (from the Crown discovery) at a competitive unit cost per barrel and integrate these contingent resources as part of the Marigold area-wide development with the objective of reducing overall unit development and production costs

Malaysia South China Sea

North Sabah PSC: Production Operations

The table below provides a summary of key operational statistics for the North Sabah asset, based on SEA Hibiscus' 50% participating interest, for the Current Quarter as well as for the prior three financial quarters:

	Unit	Oct. to Dec. 2019[2]	Jul. to Sept. 2019	Apr. to Jun. 2019	Jan. to Mar. 2019
Average uptime	%	93	85	94	95
Average gross oil production	bbl/day	17,076	14,234	14,873	14,651
Average net oil production	bbl/day	6,318	5,194	5,057	4,801
Total oil sold	bbl	671,452	334,613	490,753	578,487
Average realised oil price[1]	USD/bbl	70.19	63.63	72.59	67.87
Average OPEX per bbl (unit production cost)	USD/bbl	12.23	15.33	13.60	11.77

Figure 2: Operational performance for the North Sabah asset.

Notes to Figure 2:

1. *The average realised oil price represents the weighted average price of all Labuan crude sales from SEA Hibiscus.*
2. *Figures for the period October 2019 to December 2019 are provisional and may change subject to the PSC Statement audit and that they are pending Petroliam Nasional Berhad ("PETRONAS")'s review.*

The average uptime of the North Sabah production facilities of 93%, achieved during the Current Quarter, is higher when compared to the Preceding Quarter due to the resumption of normal operations following the planned shutdown for maintenance activities in the previous quarter. Consequently, average gross oil production increased by approximately 20% during the Current

Quarter. The increase in average gross oil production was also due to new oil production from the Saint Joseph Infill Drilling and South Furious 30 Infill Drilling projects.

Two crude oil offtakes were conducted in the North Sabah asset in the Current Quarter with a total of 671,452 bbls of oil net to SEA Hibiscus sold at an average oil price of USD70.19 per bb.

Average OPEX per bbl for North Sabah decreased to USD12.23 per bbl when compared to the Preceding Quarter primarily due to higher production volumes and lower production OPEX.

In terms of capital expenditure, the North Sabah asset incurred approximately RM50.8 million (USD11.62 million) (net to SEA Hibiscus) during the Current Quarter attributable to the South Furious 30 Infill Drilling and South Furious 30 Water Flood Phase 1 projects.

North Sabah PSC: South Furious 30 Infill Drilling

PETRONAS had on 1 July 2019 approved the South Furious 30 Infill Drilling project development plan intended to increase production and reserves of the South Furious 30 field. Three wells were drilled from the South Furious Jacket-C ("SFJT-C") via the remaining conductor slot.

The first two wells were successfully completed and brought online, with the first well, SF30-2, producing its first oil on 8 October 2019. The well was tested at approximately 1,100 bbls per day, with the production choke at 38/64 setting and no indications of water or sand production at surface. The second well, SF30-4, was brought online on 26 October 2019 with an initial well test of 480 bbls per day. The third well, SF30-6, was drilled in October and was found to be wet. Subsequently, a sidetrack well, SF30-6ST1 was drilled in November following the drilling of the South Furious 30 Water Flood Phase 1 infill water injector. The sidetrack well found hydrocarbons but the well remains suspended pending the completion of the South Furious 30 Water Flood Phase 1 project. The total cost of the project was RM129.2 million (USD29.56 million), which was shared equally with its joint venture partner.

North Sabah PSC: South Furious 30 Water Flood Phase 1

PETRONAS had on 17 October 2019 approved the South Furious 30 Water Flood Phase 1 project development plan which entails the drilling and completion of one infill water injection well intended for reservoir re-pressurisation to scope out the effectiveness of water injection pressure support to help further define the full field water injection project. Topside modification entailed deck strengthening and extension works.

Following the completion of the drilling of the water injector in November, topside modification work was carried out during the Current Quarter. Due to adverse weather and additional work scope, completion of the project is now expected by March 2020. The total capital expenditure is estimated at RM55 million (USD12.58 million) and will be shared equally with its joint venture partner. Of the RM 55 million (USD12.58 million) total, RM 44 million (USD10.07 million) was spent up to 31 December 2019, with the remaining RM11.0 million (USD2.52 million) to be spent in the next financial quarter.

Topside modification works are progressing smoothly, with first water injection expected in February via a Portable Water Injection Module ("PWIM"), which will be under a two-year lease to SEA Hibiscus.

North Sabah PSC: 2020 Drilling Program

SEA Hibiscus is currently working towards maturing its 2020 drilling program which comprises infill wells at the Saint Joseph field, targeting the Major and Minor Sands. More information will be disclosed in the company's next Quarterly Report.

Australia – Bass Strait

The Group has interests in three licenses located in the Bass Strait of Australia of which we operate two; VIC/L31 and VIC/P57. In addition, Hibiscus has a 11.68% interest in 3D Oil Limited ("3D Oil"), a company listed on the Australian Stock Exchange ("ASX").

Bass Strait Cluster: VIC/L31 Production License

Retention Lease application was submitted on 4 December 2018. However, discussions are ongoing with NOPTA on whether to maintain the existing Production License or continue the application for a Retention License. The decision will be dependent on discussions with nearby infrastructure owners on the potential to tieback the West Seahorse field.

Bass Strait Cluster: VIC/P57 Exploration License

The Minimum Guaranteed Work Programme has been completed and. two key prospects have been identified, the first being Felix, with a best estimate prospective resources of gross 30 million bbls of oil, and the second being Pointer, with a best estimate prospective resources of gross 170 billion cubic feet of gas. A process to farm out the block for a carry on a well to be drilled in 2021/2022 is ongoing.

Bass Strait Cluster: VIC/P74 Exploration License

On 26 July 2019, the Group announced that 3D Oil has been awarded the VIC/P74 Exploration Permit in the offshore Gippsland Basin by the National Offshore Petroleum Titles Administrator ("NOPTA"). VIC/P74 spans an acreage of 1,006 km2 which is located on the southern side of the Gippsland Basin. Under the terms of a pre-bid agreement, the Group has elected to enter into a joint venture with 3D Oil for a 50% working interest in this permit on a ground floor basis. 3D Oil will be the Operator through the Primary 3-year Prospect Generation Term and is currently undertaking Geoscience studies of the Permit.

Investment in 3D Oil: T/49P Exploration Licence

Post the reporting period, on 26 March 2020, 3D Oil announced that ConocoPhillips Australia SH1 Pty Ltd ("ConocoPhillips Australia") and TDO's wholly owned subsidiary, 3D Oil T49P Pty Ltd have executed a Joint Operating Agreement ("JOA") in relation to the offshore Tasmanian Permit T/49P ("Permit") which satisfies a key condition of the Farmout Agreement ("FOA") signed in December 2019. Completion of the farmout will occur following government approvals.

Under the terms of the JOA, ConocoPhillips Australia will hold an 80% interest in the Permit and become operator. As previously announced, pursuant to the FOA, the company will receive a AUD5 million cash payment in recognition of previous permit expenditure and ConocoPhillips Australia will undertake the acquisition of a 3D seismic survey of not less than 1580 sq km within the Permit to which the company will make no financial contribution.

Under the terms of the original FOA, TDO were to retain 25% equity in T/49 however following further negotiations the company has decided to reduce its interest in the Permit to 20%. This is in exchange for a reduction in TDO's exposure to joint operation expenses. Under the terms of the revised FOA and JOA, TDO will contribute 10% of the joint operation expenses until ConocoPhillips Australia has completed an exploration well or spent at least US$30 million toward drilling of an exploration well.

Upon completion of the acquisition, processing and interpretation of the 3D seismic survey, ConocoPhillips Australia may elect to drill an exploration well which will fulfill the current Year 6 Permit work commitment. In the event ConocoPhillips Australia elects to drill such exploration well, the Company will be carried for up to USD30 million in drilling costs after which it will contribute 20% of costs in line with its interest in the Permit.

On 20 March 2020, Hibiscus' share price closed at MYR0.32 with a market capitalisation of USD115.14 million (MYR/USD = 0.22654).

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
- 15.57% equity interest

GCM Resources plc ("GCM") has made huge strides towards delivering a comprehensive Power Solution to the Bangladesh Government based on a 15 million tonne per annum "captive" coal mine in the Phulbari Coal Basin, feeding power plants with a combined capacity 6,000MW utilising highly energy-efficient Ultra-supercritical boiler technology.

The progress can be measured by the fact that in this reporting period GCM has successfully formed joint-venture arrangements with internationally renowned PowerChina for the delivery of 4,000MW of mine-mouth power plants (in two x 2,000MW stages). This combined with the 2,000W previously agreed with CGGC provides the necessary 6,000MW "power plant market" to take the full production from the "captive" Phulbari coal mine, thus ensuring economic sustainability of the Phulbari Coal and Power Project ("the Project"). By the end of the reporting period PowerChina and GCM had also completed the full Proposals adhering to Bangladesh Power Development Board requirements for the Phase I and Phase II being each 2,000MW amounting to a total of 4,000MW.

Also, in the reporting period, GCM entered into an MOU with PowerChina and NFC (China Non-ferrous Metal Industry's Foreign Engineering and Construction Co. Ltd) to assist with development of the Phulbari coal mine itself. NFC successfully completed their Due Diligence studies at the end of 2019 and the company was expecting to move to a formal joint venture arrangement in early 2020, however this timeline has been affected by the various governments' actions to deal with the COVID-19 pandemic.

GCM has also announced on 26 March 2020 that it had drafted the Phulbari Coal and Power Project Proposal for submission to the Bangladesh Government and that it was working with its local Consultant / Lobbyist, DG Infratech, make it ready for submission to the Bangladesh Government.

The GCM Project is in the league of "Mega Projects" in that it will mobilise some US14.5 Billion Foreign Direct Investment to deliver the Project in its entirety. Noting that it's not just about mine and power plants but also brings major "Local and Regional Development" with huge job creation, a new township, new villages, roads, rail, industrial development based on stable and expansive power supply, reticulated water supplies and free water for irrigation schemes, snatiation systems and many other improved community amenities.

Other steps taken by GCM in 2020 include:

- Securing the continuing support of Polo Resources Ltd by way of the extension of the loan agreement to ensure funding for a further 12 months.
- Agreeing extension of the memorandum of understanding with China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. and Power Construction Corporation of China, Ltd. for a further three months through into April 2020, on the same terms as previously announced.
- Agreeing the extension of the Joint Venture Agreement and definitive Engineering, Procurement and Construction Contract with PowerChina, for a further 12 months, to 17 January 2021, on the same terms as previously announced.

Funding arrangements:

Post the reporting period, on 3 February 2020, GCM announced it had agreed a £1.2 million increase to its existing loan facility of £2.3 million with Polo Resources Limited.

Prior to this amendment, the Polo Facility allowed the company to borrow up to £2.3 million, to be repaid within 90 days upon request and attracting an interest rate of 12% per annum. As set out in GCM's Annual Report and Accounts for the year ended 30 June 2019, the existing Polo Facility had been fully drawn down. The revised terms provide for an increase in the Polo Facility amount by £1.2 million (up to an aggregate of £3.5 million), which can be drawn down by the company in equal quarterly instalments of £300,000. As set out in GCM's announcement, of 30 November 2018, Polo will have the right to convert the outstanding loan balance and accrued interest to new ordinary shares of 10p each in the company's capital ("Ordinary Shares") at a price of 11p per share, within 14 days upon request. Any issue of new Ordinary Shares to Polo is conditional upon its interest, together with the interest of any parties with which it is in concert, remaining below 30% of the company's issued share capital. All other principal terms of the Polo Facility remain unchanged.

On 20 March 2020, GCM's share price closed at GBP0.095 with a market capitalisation of USD12.33 million (GBP/USD = 1.15497).

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 129Mt (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.

<u>Phosphate</u>

Celamin Holdings NL (ASX: CNL)

- Phosphate, Tunisia
- 18.23% equity interest

<u>Chaketma Phosphate Project – 100% CPSA</u>
(International arbitration and enforcement in Tunisia confirmed Celamin's 51% interest in CPSA and awarded USD4m in damages)

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.

<u>Tenement, Location and Access</u>

The Chaketma permit is located 210 km south-west of Tunis by road. The bulk of the phosphate is located at the base of a massive limestone unit close to the top of a high segmented plateau, which rises approximately 600m above the valley floor. This plateau extends for approximately 12 kilometres from north to south, and from 900 in 1,200 metres width.

The plateau is divided into distinct domains or prospects by a series of normal faults. The Chaketma Phosphate Project is located 35km from the nearest railhead which connects to the Port of Goulette/Rades for export. Tunisia is a major phosphate producer and exporter, and has existing infrastructure including extensive road, rail and energy networks.

<u>Geology of Chaketma</u>

The Chaketma Project is characterised by an exclusively marine sedimentary sequence of shallow shelf carbonates, sandstones and deeper marine clays and marls, dating Cretaceous to Miocene. The dominant stratigraphic sequence from top to bottom comprises a massive dolomite limestone of Lutetian age, followed by the Ypresian phosphate suite and then a gradational transition to Paleocene Marls. The top of the phosphate suite is a phosphatic dolomite / dolomitic phospharenite, quickly grading down to a high-grade medium-grained phospharenite. Grain size decreases and marly intercalations gradually increase towards the bottom of the sequence, before passing into thicker marls.

Significant Milestones

Celamin has made significant in-roads into the exploration and development of its flagship Chaketma Phosphate Project in Tunisia. Significant milestones achieved include:

- A Scoping Study successfully completed by Direct Mining Services Pty Ltd in August 2012 based on Exploration Targets. Positive results were received for both the technical and economic components of the project.
- Release of Maiden JORC Resource for the Kef El Louz North Prospect (one of the six target prospects within the Chaketma project area) by Independent consultants, Geos Mining of 37Mt of rock phosphate at a grade of 21.0% P_2O_5, using 10% P_2O_5 cut-off grade. Geos Mining has indicated that only limited additional work would be required to upgrade the majority of this resource to the Indicated category.
- An initial Inferred JORC Resource of 93Mt at a grade of 20.3% P_2O_5 has been announced for Gassaa Kebira, the second of six prospects at the Chaketma Project.
- Global Inferred Resource inventory now stands at 130Mt at a grade of 20.5% P_2O_5.
- Potential confirmed for long-life project: 35+ years.

Metallurgical test work produced a concentrate grading 31% P_2O_5. Metallurgical optimisation test work to date confirms that a marketable concentrate can be produced with very good phosphate recoveries.

Development Options

Celamin has two development options:

1. Rock Phosphate Export Mine
   - Significant work already confirms potential for simple rock export operation
   - 2012 Scoping Study to be updated with revised metallurgy from 2014 test work

2. PyroPhos™ Process Route
   - Integrated chemical fertilizer project producing lowest quartile DAP
   - Minimal water use
   - Saleable inert waste product
   - Scoping Study to be completed

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 2.7Mt at 6.1% Zn and 3.3% Pb1.

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.

<u>Zeflana permit extended</u>

Post the reporting period, on 26 February 2020, Celamin announced that it has received confirmation that two exploration permits contiguous with the existing Zeflana exploration permit have been granted. Ain El Bouma covers the western extensions to Zeflana and Zaouiet Sidi Mbarek covers the eastern extension. The total area around Zeflana now held by Celamin amounts to 88km2.

The additional areas contiguous with the original Zeflana permit were secured based on previous soil sampling work completed by Zinifex and Oz Minerals that delineated multiple zinc anomalies.

Celamin is planning to undertake mapping, soil sampling and geophysical surveys this half ahead of identifying and prioritising drill targets.

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/

On 20 March 2020, Celamin’s share price closed at AUD0.12 with a market capitalisation of USD10.44 million (AUD/USD = 0.57242).

[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.

<u>Strategic Metals and Advanced Materials</u>

PRISM Diversified Ltd (formerly Ironstone Resources)

- Iron, Vanadium and Cobalt Powders, Lithium, 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 and Bankable Feasibility Study (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.

Gold

Blackham Resources Limited (ASX: BLK)

- Gold, Western Australia
- Coal, Southwest Australia
- Combined direct and indirect 0.44% 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

- 6-month gold production of 37,568oz
- Profit after tax for the half-year ended 31 December 2019 was AUD23,996,000

- All in Sustaining Costs per ounce (‘AISC’) for the 6 months of AUD1,524/oz
- Operating cash flow of AUD7.3 million for the half-year
- Significant balance sheet repair including a reduction in trade payables of AUD11m
- Total debt reduction of AUD9.2 million including the extinguishment of the Lind Convertible Note
- Stage 1 Expansion Study completed
- Rod Mill refurbishment completed
- Further Golden Age UG extensions identified
- Lake Way Transaction completed

Gold Production

Gold production for six months ended 31 December 2019 of 37,568oz and an AISC of A$1,524/oz was reflective of a noticeable operational turnaround. Returns on significant investment in mine development during the Mar’19 and Jun’19 quarters were realized in the six-month period, with improved access to ore from both the Matilda and Wiluna mining areas. As a result, the mill saw an increase in the proportion of high-grade feed, with the average processed grade for the six-month period being 1.9g/t. This represents a 34% increase on the prior six months.

During the half-year, ore from open pit mining was accessed at a strip ratio of 7.8:1, which compared favourably against the prior six months (strip ratio of 12.1:1). The high grades mined from open pits during the half–year of 1.7g/t was contributed to by higher than expected grades in the transitional and fresh material towards the base of the Wiluna mining areas. The metallurgical recovery from these transitional and fresh zones was in line with expectations, with total recovery over the half year of 79% achieved.

Production from Golden Age Underground, the company’s highest grade free-milling ore source, was 60,136 tonnes @ 4.7g/t. Drilling continued during the half year and is ongoing, targeting high-grade free milling extensions, with initial results reported to the ASX on 23 January 2020. The company continues to be successful in extending the Golden Age Underground and is committed to a strategy to sustain production at 10,000 tonnes or more per month, in parallel with the free milling open pit mines.

Wiluna Stage 1 Expansion Study

On 23 December 2019, Blackham announced that it completed its Stage 1 Expansion Study. The Stage 1 Expansion plan defines a low capital intensity transition from current production levels (70,000 – 80,000 oz per annum) to gold production rates averaging 110,000 oz per annum from FY2022 to FY2027. The Stage 1 Expansion is an intermediate step to extract value from the company’s significant sulphide resource and underpins a strategic pathway to +200,000 oz per annum. During the half the company has received very strong demand for offtake of the gold concentrate produce from the Stage 1 Expansion Plan, and the finalization of a funding package is expected in the coming months.

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, 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 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.

Post the reporting period, on 26 February 2020, Blackham announced a two-tranche Placement and a proposed, fully underwritten, non-renounceable Entitlement Offer to raise a total of AUD52 million, before costs (Capital Raising). Arlington Group Asset Management Limited has been appointed Lead Manager, and are being supported by Ironbridge Capital Partners LLP, and Tectonic Advisory Partners (acting through Ecoban Securities Corporation).The Capital Raising comprises:

- a placement to sophisticated and professional investors using the company’s placement capacities, which does not require shareholder approval under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A (Tranche 1);
- a placement to sophisticated and professional investors in excess of the company’s placement capacities under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, therefore requiring shareholder approval (Tranche 2); and, a non-renounceable pro-rata entitlement offer to existing shareholders.

Blackham is particularly encouraged by the support of tier 1, international institutions who are participating in the Capital Raising, indicating their backing and endorsement of Blackham’s expansion and growth strategy, and the renewed management team.

In addition to the Capital Raising, Blackham intends to pursue an indicative, non-binding term sheet it has executed with Mercuria, a large, European based trading group, for a AUD40 million project loan facility. The company is seeking to agree terms and obtain final credit approval from the potential lender in the coming months.

On 20 March 2020, Blackham's share price closed at AUD0.008 with a market capitalisation of USD21.6 million (AUD/USD = 0.57242).

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.

<u>Copper</u>

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 neighbouring 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 Position

The Group recorded an operating loss of USD6,369,000 for the six months to 31 December 2019 (31 December 2018: USD1,555,000). The loss was largely attributable to loss on fair value movement of financial investments of USD5,227,000. As at 20 March 2020, the Group had a net position of cash, receivables and short term investments of USD10.13 million (31 December 2019: USD12.02 million). Listed and unlisted investments at marked to market value, cost and valuation amounted to USD22.33 million (31 December 2019: USD47.14 million). The combined total of cash, receivables, payables, listed and unlisted investments was USD28.61 million as of 20 March 2020 (31 December 2019: USD53.89 million) which is equivalent to a Net Asset value of approximately 7.94 pence per Polo share (31 December 2019: 13.18 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 in 2020. I would like to thank all our shareholders, partners and advisers for their continuous and unwavering support.

Datuk Michael Tang, PJN
Executive Chairman
30 March 2020

CONSOLIDATED INCOME STATEMENT
FOR THE 6 MONTHS ENDED 31 DECEMBER 2019

	Note	6 months ended 31 December 2019 (unaudited)	6 months ended 31 December 2018 (unaudited)	Year ended 30 June 2019 (audited)
		$ 000's	**$ 000's**	**$ 000's**
Gain/(Loss) on sale of financial investments		-	(458)	(895)
Gain/(Loss) on fair value movement of financial investments		(5,227)	-	4,828
Investment income		-	72	134
Impairment of financial investments		-	-	(2,450)
Administrative & exploration expenses		(1,036)	(1,068)	(2,263)
Share options expensed		(104)	(107)	(213)
Currency exchange gain/(loss)		(2)	6	-
Group operating (loss)		**(6,369)**	**(1,555)**	**(859)**
Share of associates results		(252)	(527)	(1,572)
Reversal of /(Impairment) of associate		-	-	2,400
Other loan provision		-	-	(4,180)
Finance revenue		161	198	457
Loss on disposal of subsidiary				(436)
(Loss) before taxation		**(6,460)**	**(1,884)**	**(4,190)**
Income tax expense		-	-	-
Retained (loss) for the financial period		**(6,460)**	**(1,884)**	**(4,190)**
Attributable to:				
Equity holders of the parent		**(6,461)**	**(1,884)**	**(4,186)**
Non-controlling interests		**1**	**-**	**(4)**
		(6,460)	**(1,884)**	**(4,190)**
Earnings per share:	**2**			
Basic earnings per share (US cents)		**(2.07)**	**(0.60)**	**(1.34)**
Diluted earnings per share (US cents)		**(2.07)**	**(0.56)**	**(1.34)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 31 DECEMBER 2019

	6 months ended 31 December 2019 (unaudited) $ 000's	6 months ended 31 December 2018 (unaudited) $ 000's	Year ended 30 June 2019 (audited) $ 000's
Retained (loss) for the period	(6,460)	(1,884)	(4,190)
Gain on market value revaluation of available for sale investments	-	(3,507)	-
Currency translation differences	82	(83)	423
Other comprehensive income for the period net of taxation	82	(3,590)	423
Total comprehensive income	**(6,378)**	**(5,474)**	**(3,767)**

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	31 December 2019 (unaudited) $ 000's	31 December 2018 (unaudited) $ 000's	30 June 2019 (audited) $ 000's
Non-current assets				
Tangible assets		-	2,475	-
Interest in associates	**3**	2,831	1,675	3,083
Financial investments	**4**	40,319	41,041	45,672
Trade and other receivables		-	4,050	-
Total non-current assets		**43,150**	**49,241**	**48,755**
Current assets				
Trade and other receivables		7,749	3,412	7,289
Financial investments	**4**	3,994	4,762	3,868
Cash and cash equivalents		281	801	550
Total current assets		**12,024**	**8,975**	**11,707**
Total Assets		**55,174**	**58,216**	**60,462**
Current Liabilities				
Trade and other payables		(1,286)	(3,302)	(300)
Total Liabilities		**(1,286)**	**(3,302)**	**(300)**
Net Assets		**53,888**	**54,914**	**60,162**
Shareholders' equity				
Equity contribution		306,714	306,714	306,714
Share based payment reserve		533	323	429
Foreign exchange reserve		17,739	17,151	17,657
Available for sale investments reserve		-	16,171	-
Retained earnings		(271,188)	(282,099)	(264,727)
Non-controlling interest		90	(3,346)	89
Total Equity		**53,888**	**54,914**	**60,162**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE 6 MONTHS ENDED 31 DECEMBER 2019

	6 months ended 31 December 2019 (unaudited)	6 months ended 31 December 2018 (unaudited)	Year ended 30 June 2019 (audited)
Cash flows from operating activities	**$ 000's**	**$ 000's**	**$ 000's**
Operating (loss)	(6,369)	(1,555)	(859)
Decrease/(Increase) in trade and other receivables	(460)	(408)	24
(Decrease)/Increase in trade and other payables	986	(18)	(80)
Decrease/(Increase) in available for sale investments	5,227	1,477	(1,203)
Foreign exchange (gain)/ loss	2	(6)	(5)
Share options expensed	104	107	213
Impairment of AFS investments	-	-	2,450
Net cash (outflow) from operating activities	**(510)**	**(403)**	**540**
Cash flows from investing activities			
Finance revenue	161	198	6
Equity purchases in associates	-	(68)	(121)
Loan (advanced) to third party	-	(109)	(1,156)
Net cash (outflow) from investing activities	**161**	**21**	**(1,271)**
Cash flows from financing activities			
Issue of ordinary share capital	-	-	-
Net cash (outflow) from financing activities	**-**	**-**	**-**
Net (decrease) in cash and cash equivalents	**(349)**	**(382)**	**(731)**
Cash and cash equivalents at beginning of period	550	1,260	1,260
Exchange gain/(loss) on cash and cash equivalents	80	(77)	21
Cash and cash equivalents at end of period	**281**	**801**	**550**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE 6 MONTHS ENDED 31 DECEMBER 2019

Group (unaudited)	Equity Contribution $ 000's	Available for sale investment reserve $ 000's	Foreign currency translation reserve $ 000's	Share based payment reserve $ 000's	Retained earnings $ 000's	Total $ 000's	Non-Controlling Interest $000's	Total Equity $ 000's
As at 1 July 2019	**306,714**	**-**	**17,657**	**429**	**(264,727)**	**60,073**	**89**	**60,162**
(Loss) for the period	-	-	-	-	(6,461)	(6,461)	1	**(6,460)**
Transfer to income statement	-	-	-	-	-	-	-	**-**
Currency translation differences	-	-	82	-	-	82	-	**82**
Total Comprehensive income	**-**	**-**	**82**	**-**	**(6,461)**	**(6,379)**	**1**	**(6,378)**
Share capital issued	-	-	**-**	-	-	-	-	-
Share options expired	-	-	**-**	-	-	-	-	-
Share options charge	-	-	**-**	104	-	104	-	104
Total contributions by and distributions to owners of the Company	-	-	-	104	-	104	-	**104**
As at 31 December 2019	**306,714**	**-**	**17,739**	**533**	**(271,188)**	**53,798**	**90**	**53,888**

Group (unaudited)	Equity Contribution $ 000's	Available for sale investment reserve $ 000's	Foreign currency translation reserve $ 000's	Share based payment reserve $ 000's	Retained earnings $ 000's	Total $ 000's	Non-Controlling Interest $000's	Total equity $ 000's
As at 1 July 2018	**306,714**	**19,674**	**17,234**	**216**	**(280,215)**	**63,623**	**(3,342)**	**60,281**
(Loss) for the period	-	-	-	-	(1,884)	(1,884)	-	**(1,884)**
Gain/(Loss) on market value revaluation of available for sale investments	-	(3,503)	-	-	-	(3,503)	(4)	**(3,507)**
Transfer to income statement	-	-	-	-	-	-	-	**-**
Currency translation differences	-	-	(83)	-	-	(83)	-	**(83)**
Total Comprehensive income	**-**	**(3,503)**	**(83)**	**-**	**(1,884)**	**(5,470)**	**(4)**	**(5,474)**
Share capital issued	-	-	**-**	-	-	-	-	-
Share options expired	-	-	**-**	-	-	-	-	-
Share options charged	-	-	**-**	107	-	107	-	107
Total contributions by and distributions to owners of the Company	-	-	-	107	-	107	-	**107**
As at 31 December 2018	**306,714**	**16,171**	**17,151**	**323**	**(282,099)**	**58,260**	**(3,346)**	**54,914**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (continued)
FOR THE 6 MONTHS ENDED 31 DECEMBER 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 (audited)	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$000's**	**$ 000's**
As at 1 July 2018	**306,714**	**19,674**	**17,234**	**216**	**(280,215)**	**63,623**	**(3,342)**	**60,281**
(Loss) for the period	-	-	-	-	(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 expired	-	-	-	-	-	**-**	-	**-**
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**

1. Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union ("IFRS") and those parts of the BVI Business Companies Act applicable to companies reporting under IFRS.

The financial information for the period ended 31 December 2019 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the period ended 30 June 2019 and as expected to be adopted in the statutory accounts for the year ending 30 June 2020. The figures for the period ended 30 June 2019 have been extracted from the accounts for the period ended 30 June 2019, which are available on the Company's website at www.poloresources.com, and contain an unqualified audit report.

The financial information contained in this document does not constitute statutory financial statements. In the opinion of the directors the financial information for this period fairly presents the financial position, results of operations and cash flows for this period.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union with the exception of International Accounting Standard ('IAS') 34 – Interim Financial Reporting. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements and should be read in conjunction with the Group's 2019 annual financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Polo Resources Limited and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions have been eliminated in full.

Foreign currencies

(a) Functional and presentation currency
The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The group's presentational currency is US Dollar ($).

(b) Group companies
The results and financial position of all the group entities are translated into the presentation currency as follows:

- Assets, liabilities and equity for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognized as a separate component of equity.

(c) Rates of exchange
US$ to one unit of foreign currency were as follows:

	As at 31 December 2019	**Average for the 6 months to 31 December 2019**	**As at 30 June 2019**	**Average for the period to 30 June 2019**
Pound Sterling	1.31160	N/A	1.26898	N/A
Australian Dollar	0.69939	N/A	0.70136	N/A
Canadian Dollar	0.76524	N/A	0.76356	N/A
Singapore Dollar	0.74114	N/A	0.73851	N/A

2. Earnings per share

The calculation of earnings per share is based on the (loss) after taxation divided by the weighted average number of shares in issue during the period:

	6 Months ended 31 December 2019 (unaudited)	6 Months ended 31 December 2018 (unaudited)	Year 30 June 2019 (audited)
Net (loss) after taxation ($000's)	(6,460)	(1,884)	(4,190)
Weighted average number of ordinary shares used in calculating basic earnings per share (millions)	311.79	311.79	311.79
Basic (loss) per share (expressed in US cents)	(2.07)	(0.60)	(1.34)
Weighted average number of ordinary shares used in calculating fully diluted earnings per share (millions)	311.79	339.29	311.79
Diluted (loss) per share (expressed in US cents)	(2.07)	(0.56)	(1.34)

As the inclusions of the potential Ordinary Shares would result in a decrease in the loss per share they are considered to be anti-dilutive and as such not included.

3. Interest in associates

	2019 $ 000's
Group	
At beginning of the period	**3,083**
Investments in associates – equity purchases	**-**
Share of associates' loss for the period	**(252)**
As at 31 December 2019	**2,831**

The breakdown of the carrying values and fair values at the balance sheet date of the Group's interest in listed and unlisted associates is as follows:

Non-current assets	**Carrying Value $ 000's**	**Fair Value $ 000's**
GCM Resources Plc (listed)	**2,465**	**2,753**
Celamin Holdings Ltd (listed)	**366**	**2,617**
	2,831	**5,370**

The breakdown of the fair values as at 20 March 2020 of the Group's interest in listed and unlisted associates is as follows:

Non-current assets	**Fair Value**
	$ 000's
GCM Resources Plc (listed)	**1,919**
Celamin Holdings Ltd (listed)	**1,904**
	3,823

4. Available for sale investments

Group – Listed & Unlisted Investments	**$ 000's**
At 1 July 2019	49,540
Acquired during the period	-
Disposal during the period	-
Realised (loss)/gains on disposals	-
Movement in market value	(5,227)
At 31 December 2019	**44,313**

The available for sale investments splits are as below:	
Non-current assets - listed	**33,242**
Non-current assets – unlisted	**7,077**
Current assets – listed	**3,197**
Current assets – unlisted	**797**
	44,313

Available-for-sale investments comprise investments in unlisted and listed securities (which are traded on regulated stock markets) and which are held by the Group as a mix of strategic and short term investments.

5. Events after the end of the reporting period

There are no events after the end of the reporting period to disclose.

6. Financial information

The financial information set out above does not constitute the Group's statutory accounts for the period ended 30 June 2019, but is derived from those accounts. Statutory accounts for the period have been delivered to the shareholders, and the auditors made an unqualified report thereon.

A copy of this interim financial report will be available on the Company's website (www.poloresources.com) later today.