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Polo Resources Limited

Update Re: Statement regarding GCM Resources plc

Polo Resources Limited ("Polo") announces that, further to its announcement on 19 May 2008 regarding a possible cash offer for GCM Resources plc ("GCM") at 175p per share, it has been unable to reach agreement with the Board of GCM on the terms of a recommended bid.

Polo is keen to ensure that its pursuit of other value generating opportunities is not materially impacted by lengthy negotiations which it believes would be necessary to gain the recommendation from the Board of GCM for its an agreed offer. Consequently, Polo does not believe that to continue its discussions with GCM is in the best interests of Polo shareholders at the current time. Polo therefore confirms that it is no longer considering making an offer for GCM and as such has terminated discussions with the Board of GCM.

For the purposes of Rule 2.8 and other relevant provisions of The City Code on Takeovers and Mergers ("the Code"), Polo reserves the right to announce an offer or possible offer or make or participate in an offer or possible offer for GCM (including the right to make or announce or participate in an offer or possible offer at any price or on any terms whatsoever including a price that is less than 175 pence <sup>1</sup>) and/or take any other action which would otherwise be restricted under Rule 2.8 of the Code at any time within the next six months in the event that:

- (i) an agreement or recommendation from the Board of GCM is forthcoming; or
  - (ii) there is an announcement by a third party of a possible offer or a firm intention to make an offer for or a merger with GCM or GCM announces that it has received an approach in relation to a possible offer from a third party; or
  - (iii) GCM undertakes or announces an intention to undertake any acquisition or disposal of a material amount (where "material amount" is as defined in Note 2 on Rule 21.1 of the Code); or
  - (iv) GCM announces a whitewash proposal for the purposes of Rule 9 of the Code or a reverse takeover; or
  - (v) there is a material change in circumstances.
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Footnote (1) During the period ending three months from the date of this announcement, this reservation will not apply to event (i) and would require the consent of the Panel Executive for each of the events listed in (ii) to (v).

Enquiries:

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