

14 January 2011

Polo Resources

Polo Resources Limited

("Polo Resources", "Polo" or "the Company")

Investment Update

Polo Resources Limited (AIM and TSX: POL), announces an update on its investments and Net Asset Value ("NAV") per share as at 31 December 2010.

NAV per ordinary share: 7.06 pence¹⁻⁵

The Company's issued share capital consists of 2,364,678,955 ordinary shares of no par value each. None of these ordinary shares are held in Treasury. The fully diluted share capital of the Company consists of 2,380,678,955 ordinary shares.

As at 31 December 2010, Polo's investment portfolio as a percentage of NAV comprises the following:

Listed Investments

Caledon Resources plc Ordinary Shares	37%
GCM Resources plc Ordinary Shares	24%

Debt Investments

Caledon Resources plc 8.5% Convertible Loan Notes @ 47.5p ³	3%
Caledon Resources plc Loan Advance ⁴	9%
Caledon Resources plc Loan Advance ⁴	2%

Non Listed Investments

Ironstone Resources Limited	3%
-----------------------------	----

Other Investments 5%

Net cash and other receivables 17%

Note:

1. Share prices as at 31 December 2010.
2. Per share figures based on fully diluted ITM shares at a closing price of 5.04 pence per Polo share.
3. Caledon 8.5% £2.5 million assumed converted into shares where share price exceeds the conversion price.
4. Caledon loan advance plus facility fee repayable by 28 February 2011.
5. Unaudited net asset value per share as at 31 December 2010.

The NAV at 31st December 2010 would be restated to 7.43 pence on the basis that the indicated offer price of £1.12p by Guangdong Rising (GRAM) had become unconditional.

Update on Investments

During December 2010 the Company made a C\$8 million investment in Ironstone Resources Limited ("Ironstone"), a private Canadian company which owns the Clear Hills Iron Ore/Vanadium Project ("Clear Hills") in Alberta, Canada. Clear Hills currently has a resource

of 203 million tonnes of iron ore at a grade of 33% designated under Canadian National Instrument 43-101 (NI 43-101).

Historic work (pre NI 43-101) in the 1950's estimated a resource of over 1 billion tonnes of iron ore at Clear Hills thus providing a good opportunity for Ironstone to increase its NI 43-101 resource significantly through its planned drilling campaign over the next few months. In addition Ironstone is due to extract a 20,000 tonne bulk sample as feed for a pilot plant later in the year as part of its work towards a feasibility study on Clear Hills. The project has also demonstrated significant vanadium by-product and gold assays in recent core samples suggesting the potential for further credits from those commodities.

Caledon Resources plc ("Caledon")

On 13 January 2011 Polo announced that it has agreed to subscribe for such number of new ordinary shares of Caledon at 90p per share in the second tranche of a conditional placing (the "Placing") as will result in Polo holding 29.9 per cent of the enlarged issued share capital of Caledon. Closing of the Placing is conditional upon the passing of certain shareholders resolutions to be proposed at a general meeting of Caledon.

Repayment of loans of £14.5 million and AUS\$4 million due from Caledon to Polo on 28 February 2011, together with associated fees, costs and interest, will be set off against the amount due from Polo to Caledon under the Placing. Polo will subscribe for 21,226,324 shares in the placing resulting in a net outlay by Polo after set off, of approximately £750,000.

Following the successful conclusion of the conditional placing, Polo will hold 83,311,521 shares in Caledon.

It is expected that the Placing will close on or about 4 February 2011.

GCM Resources plc ("GCM")

GCM continues to cement relationships with the key players within the Bangladesh Government and there is almost universal acceptance that coal has a unique role to play in meeting the country's energy requirements. Similarly, it is now accepted that open pit mining is the only feasible means of delivering the volumes of coal required in an economically, socially and environmentally acceptable way.

The Phulbari Coal Project is the only coal project in the country that has been subject to a full social and environmental impact assessment and feasibility study and so this is the only project for which the economics and timetable to development are known with any certainty. Management believe it would take at least two years to bring one of the other potential projects in the country to this stage.

Other Investments

During the six months ending 31st December 2010, Polo made several listed and non listed investments in respect of which unaudited gains of £1.2 million were realised and £700,000 were unrealised at the period end.

Polo is continuously seeking to identify undervalued investment opportunities both for short term and long term investment in accordance with its stated investment policy.

Contacts:**Polo Resources Limited**

Neil Herbert
Executive Co-Chairman
+ 27 82 404 36 37

Canaccord Genuity Limited

Andrew Chubb / Bhavesh Patel
+ 44 (0) 20 7050 6500

Toronto

James McVicar
Heenan Blaikie LLP
+1 416 643 6903

Blythe Weigh Communications

Tim Blythe
Ana Ribeiro
Matthew Neal
+44 (0) 20 7 138 3204

ABOUT THE COMPANY

Polo Resources is a natural resources investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth prospects. The Company will primarily invest in companies with producing assets and/or resources and reserves that have been verified under internationally recognised reporting standards. For complete details on Polo Resources: www.poloresources.com.

CAUTIONARY STATEMENT

The AIM Market of London Stock Exchange plc does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. All statements, other than statements of historical fact, in this news release are forward-looking statements that involve various risks and uncertainties, including, without limitation, statements regarding potential values, the future plans and objectives of Polo Resources Limited. There can be no assurance that such statements will prove to be accurate, achievable or recognizable in the near term.

Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Polo Resources Limited assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.