**18 December 2013**

**POLO RESOURCES LIMITED**

(“**Polo**” or the “**Company**”)

**RESULTS FOR THE TWELVE MONTHS ENDED 30 JUNE 2013**

Polo Resources Limited (AIM and BSX: POL), the natural resources exploration investment company with interests in oil and gas, gold, coal and iron ore, today announces its audited results for the 12 months ended 30 June 2013.

**Financial Highlights**

- Polo reports net cash, receivables and short-term liquid investments totalled US$18.55 million at close of business at 17 December 2013, to fund working capital and ongoing investments , which Polo continues to review actively.

- Net Asset Value per share at 17 December 2013 is approximately 32.30 pence per share

**Operational Highlights**

- **Signet Petroleum Limited**

    - Polo currently has a 44.90 per cent equity interest in the independent African oil exploration company.

    - The process for assessing strategic alternatives is progressing well with a high level of participation from a broad spectrum of high quality potential bidders. The process, managed by First Energy Capital LLP and looking at strategic alternatives concerning Signet’s African oil and gas asset portfolio, is contemplating a range of potential commercial outcomes at both the individual asset level and on a portfolio-wide basis. Further announcements concerning Signet will be made in due course.

- **Nimini Holdings Limited**

    - Nimini was awarded a large-scale Mining Licence in November 2012, for an initial 25-year period. That Licence covers the whole area (100 square kilometres) formerly held under the Nimini East and West exploration licences.

    - The Mineral Resource Estimate was updated as at June 2013 ("June 2013 MRE"), based on a minimum true width of 1 metre and a 2.4 grammes per tonne gold cut-off grade: Indicated Mineral Resources of 0.55 million ounces (3.6 Mt (million tons) at 4.69 grammes per tonne gold) and Inferred Mineral Resources of 0.34 million ounces (2.6 Mt at 4.08 grammes per tonne gold).

- The June 2013 MRE resulted in a 21 per cent increase in Indicated Mineral Resources to 0.63 million ounces of gold (4.8 Mt at 4.06 grammes per tonne gold) at a 1.8 grammes per tonne cut-off grade and 60 per cent increase in Inferred Mineral Resources to 0.42 million ounces of gold (3.8 Mt at 3.47 grammes per tonne) at a 1.8 grammes per tonne cut-off, compared to the previous MRE carried out by SGS Canada Inc., in June 2012.

- The June 2013 MRE provides a solid platform for a Preliminary Economic Assessment (PEA). The date of publication of the PEA Press Release is in part dependent on the outcome of discussions with the Government of Sierra Leone regarding the fiscal terms that will apply to this project.

**Michael Tang, Executive Chairman of Polo, said:**

Having joined the Board of Polo in May 2013 we have continued to develop a portfolio of quality and challenging assets that had been acquired under the stewardship of Stephen Dattels and Neil Herbert.

“On behalf of our shareholders, I would like to thank Stephen and Neil for their success over the years and for establishing Polo as we know it today.

“Our business is focused on a group of core assets and I am committed to unlocking the portfolio's value as well as acquiring further undervalued and high potential assets for the Company."

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**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. For further details on Polo Resources please see our website: 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.

# Chairman's Statement

I am writing this statement following my appointment earlier this year to the board of Polo Resources Limited ("Polo"). During the year, Polo increased its investments in oil and gas and gold projects while maintaining support for its ongoing interests in the coal and iron ore investment sectors. Difficult market conditions prevailed throughout the period, but the Company ended the year in a strong position with US$24.9 million in cash and short-term investments. Polo's longer-term investments are positioned for future development in more favorable market conditions.

During the year we have seen a number of changes to the board of directors and I would like to thank all the previous directors of the Company who have left the current board with a mix of quality and challenging assets.

Oil and Gas

The Oil and Gas sector is currently the Company's major focus area, with three investments, namely Signet Petroleum Limited ("Signet"), Regalis Petroleum Limited ("Regalis") and Equus Petroleum Plc ("Equus"). Signet, our key oil and gas investment, and largest investment in terms of asset value, has made progress with its projects in Tanzania and Namibia in particular. In Namibia, Signet continues to evaluate its majority owned and operated exploration acreage (Block 2914B), over which the company has a 75 per cent working interest. Having identified a potentially major structure ("Prospect A") in Q4 2012, Signet has undertaken further interpretation of the 5,000 kilometres of 2D seismic data gathered in the first half of 2012 and has identified a number of highly prospective targets with potential to host commercial hydrocarbon deposits. Block 2914B remains the subject of intensive study and evaluation.

Elsewhere across the Signet portfolio, the company is looking to maximise value from its Mnazi Bay North, Tanzania licence, over which Signet holds an 80 per cent interest. Evaluation of 3D seismic data acquired in 2012 identified a potentially substantial up-dip extension of the BG/Ophir Chaza 1 discovery into the Mnazi Bay North licence area. The licence is proximate to the Maurel et Prom Mnazi Bay facility and the new gas pipeline being constructed from Mnazi Bay to Dar es Salaam. This highly prospective area offers opportunities for early development for the domestic market.

Signet reports that the strategic alternatives process, last commented on in Polo's announcement of 4th October 2013, is progressing well with a high level of participation from a broad spectrum of high quality potential bidders. The process, managed by First Energy Capital LLP and looking at strategic alternatives concerning Signet's African oil and gas asset portfolio, is contemplating a range of potential commercial outcomes, both at the individual asset level and on a portfolio-wide basis. Further announcements will be made in due course.

Regalis Petroleum, which holds a 70 per cent working interest in Block 2813B, Namibia, has acquired approximately 1,500 kilometres of 2D seismic data in 2012. Analysis is on-going and a number of potentially major hydrocarbon prospects have been identified.

Equus Petroleum is developing the Sarybulak oilfield, located within its 498-square kilometre licence in the oil producing South Turguay Basin, Central Kazakhstan, which has been under production since 2008. Production for H1 2013 averaged approximately 6,000 barrels of oil per day ("bopd") under natural flow conditions and is currently averaging approximately 8,000 bopd. Exploration drilling is underway and an application for a full production licence, including oil export rights, will be submitted later this year.

Gold

Nimini Holdings Limited ("Nimini") reported encouraging results in its Mineral Resource Estimate ("MRE") filed in August 2013 and regional exploration is being undertaken which may in time add substantially to the size of the project.

Polo holds a 90 per cent interest in the Komahun Gold Project ("Komahun") with the remaining 10 per cent being held by Plinian Guernsey Limited. Polo appointed Plinian Capital Limited as project operator in March 2012. The project, which covers a 100 square kilometre area and includes the former Nimini West and Nimini East exploration licences, was granted a 25-year Mining Licence in November 2012.

In June 2013, Nimini completed an updated independent MRE for the Komahun Project. The MRE, undertaken by The MSA Group (Pty) Ltd, resulted in an Indicated Mineral Resource of 0.55 million ounces (Moz) (3.65 million tonnes (Mt) at a gold grade of 4.69 grammes per tonne (g/t)) and an Inferred Mineral Resource of 0.34 Moz (2.62 Mt at a gold grade of 4.08 g/t). The MRE, reported at a minimum true width of 1 metre and a cut-off grade of 2.4 g/t of gold, is restricted to potentially mineable Mineral Resources.

With its significant increase in Mineral Resources, the MRE provides a solid platform for the Preliminary Economic Assessment ("PEA"), the technical inputs for which were completed in Q3 2013. The date of publication of the PEA is dependent on the finalisation of discussions with the Government of Sierra Leone regarding the fiscal terms that will apply to this project, which is targeted to be the first large-scale underground gold mine in Sierra Leone.

Iron Ore and Vanadium

Polo holds a 15.16 per cent interest in Ironstone Resources Limited ("Ironstone"), which is continuing its work on the definition of the process flowsheet for its Clear Hills Iron Ore/Vanadium project in Alberta, Canada. Good progress has been made at Hazen Research during the year and results have been most encouraging, although further work is required to define the commercial flowsheet fully.

Coal

Polo has a 27.8 per cent equity interest in GCM Resources Plc ("GCM"), which is advancing the development of the major Phulbari Coal Project in Northwest Bangladesh. Polo has continued to support GCM in its efforts to advance the project and in August 2013 participated in a placing initiated by GCM which secured further working capital.

I would like to thank all our shareholders for their continuing support.

**Michael Tang**
Chairman & Managing Director

# Financial Review

The purpose of this review is to provide a further analysis of the Company's consolidated 2013 results and the main factors that affected this financial performance. The Financial Review should be read in conjunction with the financial statements and associated notes.

During the year, the Group made a loss on ordinary activities after taxation of US$16.2 million (2012: profit of US$7.2 million). It should be remembered that this headline figure is not necessarily indicative of a weakening financial performance as such variances are in the very nature of a natural resource investment company whose strategic focus extends further than a single reporting year. In the previous financial year, Polo disposed of its substantial interest in Caledon Resources Plc, raising gross proceeds of in excess of US$160 million.

Focus sectors for our portfolio of investments in this reporting period centre largely on investments across the oil, gas and gold sectors. In the 2012/13 financial year, the board has continued to support the on-going development of its key assets and increased its stake in Signet from 21.7 per cent to 44.9 per cent through an issue of shares at a cost of US$15.72 million and invested a further US$20 million into further developing its Gold project in Sierra Leone.

As approved at the Annual General Meeting of 30 January 2013, the Company's shares were consolidated on the basis of one new no par value Ordinary Share for every 10 Ordinary Shares held. The new shares carry the same rights as the previous Ordinary Shares held. Following the consolidation, the Company had 269,622,745 shares in issue.

Basic loss per share for the year ended 30 June 2013 was US$6.49 cents (2012: earnings of US$ 0.31cents).

The Board of Polo is sensitive to the impact of current market sentiment towards junior exploration-stage resource companies and of the correction in the prices of many commodities, such as gold, during the reporting period under review. Whilst these factors have combined to create a difficult operating environment across the board for junior resource companies, Polo's strategy of developing a broad-based portfolio of projects and investments capable of delivering positive shareholder returns has enabled the Company to retain the financial flexibility to optimise asset value over the medium- and longer-terms. Against this backdrop, Polo reported a decrease in Company administrative expenses to US$3.3 million (2012: US$6.8 million) which is reflective of Polo's focus on prudent financial management and use of available resources during the current difficult economic environment. Further savings are anticipated in the current year to 30 June 2014.

## Financial Position

The Directors have reviewed the Group's budgets for 2013, as well as longer-term financial cash flow projections and have considered a range of different scenarios together with their associated risks and uncertainties, and the impact of these scenarios on the Company's cash balances.
Additionally, the Directors have assessed the likelihood of future funding requirements. Based on these activities, the Directors are satisfied that the Company maintains a strong financial position from the date of the signing of these financial statements, enabling Polo to take a flexible approach to the acquisition and disposal of investments.

At the date of this report, 17th December 2013, the Group had a net position of cash, receivables and short term liquid investments of US$18.55 million. Unlisted investments at cost and valuation amounted to US$118.89 million and long term listed investments at marked to market value amounted to US$4.92 million. The combined total of cash, receivables, payables, listed and unlisted equity investments was therefore US$142.36 million as of 17th December 2013 on this basis which is equivalent to a Net Asset value of approximately 32.3 pence per Polo share.

Outlook

Polo continues to press ahead with its strategic investment activities and will allocate further financial resources to key investments on the basis of anticipated future returns.

Although all natural resource investments remain vulnerable to near-term market instabilities, I remain positive about the longer-term fundamentals of the resource sector and am particularly focused on achieving near-term returns which in turn will strengthen our cash position in the coming months. The Company will continue to keep shareholders advised as and when developments are confirmed.

**Ian Burns**
Finance Director

# Investment Update

## Oil and Gas

### Signet Petroleum Limited

- Oil and Gas Projects, Africa
- 44.90 per cent equity interest

The investment in Signet Petroleum is a central part of Polo's strategy to increase its exposure to the oil and gas sector. The last 12 months have been a transformative period for Signet in which the company has acquired and interpreted 3D seismic data over Mnazi Bay (Tanzania), which has confirmed the substantial up-dip extension of the BG/Ophir Chaza-1 discovery well, acquired 2D seismic over block 2914B in Namibia, demonstrating significant prospectivity, and launched a process to examine strategic alternatives, which is being led by First Energy Capital LLP.

### Tanzania

- During 2012, Signet acquired 110 square kilometres of high quality 3D seismic data over the offshore Mnazi Bay North Block, Tanzania. This new data, in addition to the 2D data acquired in 2011 provides a very strong indication of the up-dip extension of the BG/Ophir Chaza-1 discovery drilled by the Ophir on behalf of the BG/Ophir consortium on the Signet/BG/Ophir block boundary in 2011 as well as a number of additional prospective targets.
- The company is well positioned as an early development opportunity for the domestic energy market (unsatisfied domestic demand for natural gas is estimated at over 500 mmscf/d).
- The new Mtwara to Dar es Salaam Gas Pipeline project was inaugurated by the Government of Tanzania on 21 July 2012. The 532-kilometre pipeline will link the Mnazi Bay gas field to Tanzania's largest city. Construction is underway and is expected to take 12-24 months to complete.
- Natural gas will be transported to large-scale electricity producers, other industrial users and major population centres in Tanzania.
- Plans for a new Mnazi Bay 300MW gas fired power plant were announced by Government of Tanzania on 13 October 2011.

### Namibia

- In late 2012, Signet acquired approximately 5,000 kilometres of 2D seismic data in Block 2914B where Signet holds a 75 per cent working interest. This data indicated a high degree of prospectivity with multiple prospects identified in a variety of geological plays.

### Additional projects

- Signet acquired historical technical data on its Burundi licence, Block C, southern offshore Rusizi Basin. Evaluation is advancing.
- The joint venture with Surestream Petroleum Limited has purchased a 50 per cent interest in the seismic vessel, the 'Tanganyika Explorer', which will undertake 2D multi-client seismic services on Lake Tanganyika. The Surestream joint venture gives Signet a technical advantage across Lake Tanganyika.

Signet holds a portfolio of earlier-stage exploration projects in a number of other territories, including a 10 per cent stake in licence block SL 7A-10 in Sierra Leone and a 90 per cent working interest in Block 3 (2,863 square kilometres), offshore Benin.

**Regalis Petroleum Limited**

- Oil and Gas Projects, Africa
- 8.32 per cent equity interest

Polo's interest in the private and independent oil and gas company, Regalis Petroleum, offers upside potential as Regalis works to acquire and develop key oil concessions in Namibia and other countries in sub-Saharan Africa.

- Regalis has already acquired a 70 per cent operating interest in Block 2813B offshore Namibia where 2D seismic data has recently been acquired indicating a high degree of prospectivity.
- Regalis is well capitalised to build a strong exploration footprint across Africa and to drive asset upside through exploration, including 2D and 3D seismic data acquisition.

**Equus Petroleum Plc**

- Energy and Petroleum, Kazakhstan
- 1.95 per cent equity interest

Polo invested CA$4,125,000 in Equus Petroleum, a Kazakhstan energy and petroleum company that operates oil and gas exploration and production activities in Central Kazakhstan through its Kazakh subsidiary Kumkol Trans Service LLP.

Equus is developing the Sarybulak oilfield, located within its 498-square kilometre licence in the oil producing South Turguay Basin, Central Kazakhstan. Sarybulak has been in operation since 2008 under a Pilot Production Licence, a component of the Exploration Licence, with all production to date being sold into the domestic market.

Equus has constructed a central processing facility in the field and is commissioning a gas processing plant and gas fired power plant. Production for the first half of 2013 averaged approximately 6,000 bopd under natural flow conditions, and is currently running at approximately 8,000 bopd. An eight well exploration drilling programme is underway, with a number of wells now undergoing testing. Equus has received approval for a two-year extension to its Exploration Licence to allow further evaluation of the discoveries made to date. The company expects to submit applications for full Production and Export licences in 2014. The 2014 capital investment programme includes the construction of an export pipeline and expansion of the gas processing facilities to allow uninterrupted deliveries to export sales markets.

## Gold

### Nimini Holdings Limited

- Gold Projects, Sierra Leone
- 90 per cent equity interest

Following the completion in March 2013 of the Mineral Resource extension drilling programme (52 holes, 20,132 metres) and the subsequent receipt of final assay results, the Company published an updated independent Mineral Resource Estimate ("June 2013 MRE") for the Komahun Project on 1 July 2013. This MRE, prepared by the MSA Group (Pty) Ltd ("MSA"), was based on 408 drill holes (94,319 metres) and included results from 55,250 metres of additional drilling completed since the previous MRE ("June 2012 MRE") undertaken by SGS Canada Inc., announced in the press release dated 19 June 2012.

The Canadian National Instrument 43-101 compliant Technical Report detailing the updated MRE: "Mineral Resource Estimate for the Komahun Gold Project, Kono Region, Sierra Leone" was published under the Polo profile held on www.sedar.com and on the Polo website on 15 August 2013.

**Komahun Mineral Resource# at 2.4 g/t Au Cut-Off Grade, 12 June 2013**

| Category | Tonnes (Millions) | Au g/t | Au Moz |
|---|---|---|---|
| Indicated | 3.65 | 4.69 | 0.55 |
| Inferred | 2.62 | 4.08 | 0.34 |

# *All tabulated data has been rounded to two decimal places. Polo holds a* 90 per cent *interest in the resource through its shareholding in Nimini Holdings Limited.*

### Highlights

A minimum true width of 1 metre and cut-off grade of 2.4 g/t of gold (Au) has been applied to the June 2013 MRE, which has been used for determining potentially mineable volumes in the Preliminary Economic Assessment. This subset of the resource contains:

- 0.55 Moz (3.65 Mt at 4.69 g/t) in the Indicated Mineral Resource category, and
- 0.34 Moz (2.62 Mt at 4.08 g/t) in the Inferred Mineral Resource category.

The June 2013 MRE is restricted to potentially mineable Mineral Resources and excludes isolated, low tonnage blocks distal to the main mineralised zones. The Southern Structure has been included in the June 2013 MRE.

- Comparing the June 2013 MRE at a 1.8 g/t Au cut-off grade with the June 2012 MRE at the same 1.8 g/t Au cut-off grade, the June 2013 MRE represents:
  - A 21 per cent increase in ounces in Indicated Mineral Resources to 0.63 Moz of gold (4.8 Mt at 4.06 g/t), and
  - A 60 per cent increase in ounces in Inferred Mineral Resources to 0.42 Moz of gold (3.8 Mt at 3.47 g/t)

The diamond drilling programme undertaken in 2012/2013 has successfully extended mineralisation in all blocks down-dip, with Mineral Resources to a depth of approximately 800 metres below surface in Block 1, approximately 500 metres in Block 2, approximately 420 metres in Block 3, an average of 350 metres in Block 4 and 200 metres in the Southern Structure (Block 5).

All resource blocks remain open atdepth although, in Block 1 and the main B2FW unit in Block 2, the grades and mineralised widths appear to decrease with depth. The emerging recognition of a prominent, steeply plunging trend (“shoot”) in the majority of mineralised zones that is associated with increased grades and thicknesses indicates that any future step-out drilling should focus on following these steeply plunging zones.

Subsequent to the completion of the 2012/2013 diamond drilling programme, one additional diamond drill hole and eight Reverse Circulation (“RC”) drill holes have been completed but assay results had not been received as of the effective date of the June 2013 MRE. Several of these holes returned visibly mineralised intersections (visible gold and/or arsenopyrite) that support the existence of potential mineralised zones (“strike extensions”) between Block 1 and Block 5 (Southern Structure 1) and southwards from Southern Structure 1 towards Southern Structure 2.

Further work, in the form of RC drill testing of these potential strike extensions and testing of a Versatile Time-Domain Electromagnetic (“VTEM”) anomaly, is recommended by MSA. In the event of positive results being returned from this work, a subsequent phase of work is recommended, comprising diamond drilling of the strike extensions with a view to adding to the Mineral Resources at Komahun and additional RC drill testing of VTEM anomalies.

A programme of surface sampling, pits and trenches was completed in September 2013 within the greater Mining Licence area to assist in defining targets for future drilling which have the potential to significantly expand the resource base at Nimini.

**Qualified Persons:**
The technical information contained in this report has been approved by Dr. Brendan Clarke, the Head of Geology at The MSA Group, an independent consulting company. Dr. Brendan Clarke is a Member of the Geological Society of South Africa and a Professional Natural Scientist (“Pr.Sci.Nat”) registered with the South African Council for Natural Scientific Professions. Dr. Clarke has sufficient experience relevant to the style of mineralisation under consideration and to the activities which are being reported, to qualify as a Qualified Person for the purposes of this report. Dr. Clarke has reviewed the results of the QAQC programme at Komahun and is sufficiently satisfied both with the QAQC protocol as well as the performance of the QAQC measures, to view the assay results reported in this report as both accurate and precise.

The Mineral Resource Estimate disclosed in this report has been carried out by Mr. Jeremy Witley (BSc Hons, GDE), Principal Resource Consultant at The MSA Group. Mr. Witley is a geologist with 25 years’ experience in base and precious metals exploration and mining as well as Mineral Resource evaluation and reporting. He is Principal Resource Consultant for The MSA Group (an independent consulting company), is a member in good standing with the South African Council for Natural Scientific Professions (“SACNASP”) and is a Member of the Geological Society of South Africa (“GSSA”). Mr. Witley has sufficient experience relevant to the style of mineralisation under consideration and to the activities which are being reported, to qualify as a Qualified Person for the purposes of this report.

**Iron Ore and Vanadium**

**Ironstone Resources Limited**

- Iron Ore, Vanadium and Precious Metal Projects, Canada
- 15.16 per cent equity interest

In December 2010 the Company made a US$7.90 million investment followed by a further US$4.91 million in March 2011 in Ironstone, a private Canadian company which owns the Clear Hills Iron Ore/Vanadium Project ("Clear Hills") in Alberta, Canada.

Currently the Clear Hills NI 43-101 compliant resources are categorised as follows:

| | |
|---|---|
| Indicated: | 557 million tonnes iron, with an average grade of 33 per cent of iron<br>1.45 billion pounds of vanadium (as vanadium pentoxide) |
| Inferred: | 96 million tonnes of iron, with an average grade of 33 per cent of iron |

Ironstone is continuing its work on defining the Hatch-Ironstone Chloride Segregation process for the Clear Hills Project. Pilot testing has been completed through ore preparation, calcination, iron reduction and iron segregation stages of the process flow sheet development with very encouraging results. Work at Hazen Research (Golden, CO) is currently focused on the mineral processing segment of the flowsheet in advance of piloting the process on commercial scale equipment.

Results from some iron reduction tests suggest an alternative process should be investigated that may potentially reduce both capital and operating costs, and shorten the development timeline to commercial start-up. Some preliminary testing to determine the technical feasibility of this alternative process is being conducted.

Following the positive results from the continuous pilot process campaign at Hazen Research achieved in the last quarter, Ironstone will be commissioning a PEA ahead of the major pre-commercial processing pilot campaign at FL Smidth (Bethlehem, PA), proposed for the second quarter 2014.

Ironstone is planning to conduct a limited coal drilling programme in Q1 2015 to delineate and map the lignite coal deposit in the Clear Hills. The coal is an important carbon source for the direct reduction of iron oxide into metallic iron. The company is collaborating with North American Coal Corp. (www.nacoal.com) which has entered into an option agreement to lend its expertise in coal development, mine planning and eventual contract mining operations.

Ironstone’s management and resource team travelled to Asia in November 2013 to exhibit at the China Mining Conference. The company also participated in three investor forums in China and Japan in collaboration with Alberta Energy department officials. The forums were hosted by Canadian Embassy trade officials in Beijing, Shanghai and Tokyo. Strong interest was shown in Ironstone’s Clear Hills project, specifically in how its products are targeted to China’s eventual move to less polluting electric furnace steel-making and the country’s recent emphasis on renewable energy development.

## Coal

### GCM Resources Plc

- Coal Projects, Bangladesh
- 27.8 per cent equity interest

GCM has identified a world-class coal resource of 572 million tonnes (JORC compliant) in Northwest Bangladesh, called the Phulbari Coal Project ("the Project"). The Project is a substantial coal resource with potential to support a long life, low cost mining operation and is the only such deposit in Bangladesh that has been subjected to a full Feasibility Study, including an Environmental and Social Impact Assessment prepared to international standards. The Project has the potential to produce high quality export grade coal at competitive average stripping ratios and low operating costs, for an initial estimated 35 year mine life. GCM has recently had a change of management and since then raised funds via a share placement in which Polo participated.

Over the next 12 months GCM will continue in discussions with the Government of Bangladesh to progress the Project.

# Group Statement of Comprehensive Income for the year ended 30 June 2013

| | Notes | Year ended 30 June 2013 $ 000's | Year ended 30 June 2012 $ 000's |
|---|---|---|---|
| (Loss) on sale of investments | | **(7,542)** | (5,944) |
| Gains on sale of associates | | **-** | 18,827 |
| Investment income | **5** | **390** | 254 |
| Provision for loss on option | | **(742)** | - |
| Administrative & Exploration expenses | | **(3,302)** | (7,065) |
| Share options expensed | **8, 21** | **(2,467)** | (882) |
| Currency exchange (losses)/gain | | **(21)** | 8,367 |
| Impairment of associate | **16** | **-** | (3,914) |
| **Group operating (loss)/profit** | **3** | **(13,684)** | 9,643 |
| Share of Joint Venture results | | **-** | (150) |
| Share of associates results | **16** | **(3,456)** | (2,844) |
| Finance revenue | **7** | **590** | 665 |
| Other income | **6** | **372** | - |
| **(Loss)/profit before taxation** | **2** | **(16,178)** | 7,314 |
| Income tax expense | **9** | **-** | (160) |
| **Retained (loss)/profit for the year** | | **(16,178)** | 7,154 |
| **Other comprehensive income** | | | |
| Profit/(loss) on revaluation of available for sale investments | | **3,892** | (5,510) |
| Transfer to income statement of available for sale investments | | **7,471** | 240 |
| Currency translation differences | | **(606)** | (13,541) |
| **Other comprehensive income for the year net of taxation** | | **10,757** | (18,811) |
| **Total comprehensive income for the year** | | **(5,421)** | (11,657) |
| **Retained (loss)/profit for the year attributable to:** | | | |
| Equity holders of the parent | | **(16,173)** | 7,164 |
| Non-controlling interests | | **(5)** | (10) |
| | | **(16,178)** | 7,154 |
| **Total comprehensive income for the year attributable to:** | | | |
| Equity holders of the parent | | **(5,416)** | (11,647) |
| Non-controlling interests | | **(5)** | (10) |
| | | **(5,421)** | (11,657) |
| **(Loss) earnings per share (US cents)** | | | |
| **Basic** | **11** | **(6.49)** | 0.31 |
| **Diluted** | **11** | **(6.33)** | 0.30 |

# Group Balance Sheet
# as at 30 June 2013

| | Note | 30 June 2013 $ 000's | 30 June 2013 $ 000's | 30 June 2012 $ 000's | 30 June 2012 $ 000's |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Intangible assets | **12** | **2,815** | | 2,815 | |
| Tangible assets | **13** | **44,190** | | 22,189 | |
| Interest in Joint Venture | **15** | **-** | | - | |
| Interest in associates | **16** | **68,370** | | 56,106 | |
| Available for sale investments | **17** | **23,728** | | 17,518 | |
| Trade and other receivables | **18** | **4,689** | | 2,500 | |
| **Total non-current assets** | | | **143,792** | | 101,128 |
| **Current assets** | | | | | |
| Trade and other receivables | **18** | **169** | | 2,007 | |
| Available for sale investments | **17** | **3,027** | | 10,809 | |
| Cash and cash equivalents | | **21,890** | | 42,017 | |
| **Total current assets** | | | **25,086** | | 54,833 |
| **TOTAL ASSETS** | | | **168,878** | | 155,961 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | **19** | **(5,469)** | | (5,317) | |
| **TOTAL LIABILITIES** | | | **(5,469)** | | (5,317) |
| **NET ASSETS** | | | **163,409** | | 150,644 |
| **EQUITY** | | | | | |
| Equity contribution | | **301,210** | | 285,491 | |
| Retained earnings | | **(162,730)** | | (146,557) | |
| Available for sale investment reserve | | **3,963** | | (6,729) | |
| Foreign exchange reserve | | **17,659** | | 15,646 | |
| Share based payments reserve | **21** | **1,833** | | 1,314 | |
| | | | **161,935** | | 149,165 |
| Non-controlling interest | | | **1,474** | | 1,479 |
| **TOTAL EQUITY** | | | **163,409** | | 150,644 |

# Group Cash Flow Statement
# for the year ended 30 June 2013

| | Notes | **Year ended 30 June 2013 $ 000's** | Year ended 30 June 2012 $ 000's |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating (loss)/profit | | **(13,684)** | 9,643 |
| Decrease/(increase) in trade and other receivables | | **1,838** | (1,579) |
| Increase in trade and other payables | | **1,217** | 1,100 |
| Decrease/(increase) in available for sale investments | | **6,218** | (14,133) |
| Foreign exchange loss/(gain) | | **21** | (8,367) |
| Share options expensed | | **2,467** | 882 |
| Provision for loss on option | | **742** | - |
| Impairment of investment in joint venture | | **-** | 3,914 |
| Gains on sale of associates | | **-** | (18,827) |
| Depreciation & impairment | | **11** | 8 |
| **Net cash (out)flow from operating activities** | | **(1,170)** | (27,359) |
| **Cash flows from investing activities** | | | |
| Finance revenue | | **424** | 634 |
| Other income | | **372** | - |
| Taxation paid | | **(1,808)** | (160) |
| Net receipts for investments in associates | | **-** | 121,449 |
| Payments to acquire tangible assets | | **(22,012)** | (7,001) |
| Loan advanced to third party | | **-** | (2,500) |
| **Net cash (out)/inflow from investing activities** | | **(23,024)** | 112,422 |
| **Acquisitions and disposals** | | | |
| Payments to acquire subsidiaries | | **-** | (16,500) |
| Cash acquired on acquisition of subsidiary | | **-** | 2 |
| **Net cash (out)flow from acquisitions and disposals** | | **-** | (16,498) |
| **Cash flows from financing activities** | | | |
| Issue of ordinary share capital | | **-** | - |
| Dividend paid to company shareholders | | **-** | (71,466) |
| **Net cash (out)flow from financing activities** | | **-** | (71,466) |
| **Net (decrease) in cash and cash equivalents** | | **(24,194)** | (2,901) |
| Cash and cash equivalents at beginning of year | | **42,017** | 45,796 |
| Exchange gain on cash and cash equivalents | | **4,067** | (878) |
| **Cash and cash equivalents at end of year** | **22** | **21,890** | 42,017 |

# Group Statement of Changes in Equity
# for the year ended 30 June 2013

| | Share premium reserve | Available for sale investment reserve | Foreign currency translation reserve | Share based payment reserve | Retained earnings | Total | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|
| **Group** | **$ 000's** | **$ 000's** | **$ 000's** | **$ 000's** | **$ 000's** | **$ 000's** | **$ 000's** | **$ 000's** |
| **As at 1 July 2011** | **285,491** | **(1,833)** | **29,561** | **600** | **(82,423)** | **231,396** | **-** | **231,396** |
| Profit for the year | - | - | - | **-** | 7,164 | **7,164** | **(10)** | **7,154** |
| (Loss) on revaluation of available for sale investments | - | (5,510) | - | **-** | - | **(5,510)** | **-** | **(5,510)** |
| Transfer to income statement | - | 240 | - | - | - | **240** | **-** | **240** |
| Currency translation differences | - | 374 | (13,915) | - | - | **(13,541)** | **-** | **(13,541)** |
| **Total comprehensive income** | **-** | **(4,896)** | **(13,915)** | **-** | **7,164** | **(11,647)** | **(10)** | **(11,657)** |
| Share based payments | - | - | - | 882 | - | **882** | **-** | **882** |
| Share options cancelled | - | - | - | (168) | 168 | **-** | **-** | **-** |
| Dividend paid | - | - | - | - | (71,466) | **(71,466)** | **-** | **(71,466)** |
| **Total contributions by and distributions to owners of the Company** | - | - | - | 714 | (71,298) | **(70,584)** | **-** | **(70,584)** |
| Non-controlling interest arising on business combination | - | - | - | - | - | **-** | **1,489** | **1,489** |
| **As at 30 June 2012** | **285,491** | **(6,729)** | **15,646** | **1,314** | **(146,557)** | **149,165** | **1,479** | **150,644** |
| (Loss) for the year | - | - | - | - | (16,173) | **(16,173)** | **(5)** | **(16,178)** |
| Gain on revaluation of available for sale investments | - | 3,892 | - | - | - | **3,892** | **-** | **3,892** |
| Transfer to income statement | - | 7,471 | - | - | - | **7,471** | **-** | **7,471** |
| Currency translation differences | - | (671) | 2,013 | - | (1,948) | **(606)** | **-** | **(606)** |
| **Total comprehensive income** | **-** | **10,692** | **2,013** | **-** | **(18,121)** | **(5,416)** | **(5)** | **(5,421)** |
| Share based payments | - | - | - | 2,467 | - | **2,467** | **-** | **2,467** |
| Share options cancelled | - | - | - | (1,948) | 1,948 | **-** | **-** | **-** |
| Shares issued | 15,719 | - | - | - | - | **15,719** | **-** | **15,719** |
| **Total contributions by and distributions to owners of the Company** | 15,719 | - | - | 519 | 1,948 | **18,186** | **-** | **18,186** |
| **As at 30 June 2013** | **301,210** | **3,963** | **17,659** | **1,833** | **(162,730)** | **161,935** | **1,474** | **163,409** |

The audited financial information for the years ended 30 June 2013 and 30 June 2012 contained in this document do not constitute statutory accounts as defined in the BVI Business Companies Act 2004. The comparative financial information is based on the statutory accounts for the financial year ended 30 June 2012. Those accounts, upon which the auditors issued an unqualified opinion, are available on the Company's website. The financial information for the year ended 30 June 2013 has been extracted from the financial statements of Polo Resources Ltd which will be available on the Company's website in due course. The auditors have issued an unqualified opinion on the Group's statutory financial statements for the year ended 30 June 2013. The preliminary announcement was approved by the Board of Directors on 17 December 2013.