

28 March 2011

Polo Resources

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

Interim Results for the six months ended 31 December 2010

Polo Resources Limited (AIM and TSX: POL), the mining and exploration investment company with interests in coal and iron ore, today announces results for the six months ended 31 December 2010.

Financial and Operational Highlights

- As at 25 March 2011, the Company's cash balance was US\$29.90 million (31.12.2009: US\$10 million).
- Net profit for the six months ended 31 December 2010 was US\$63.45 million (2009: profit US\$6.83 million).
 - During the period Polo disposed of its entire interest of 22,550,849 shares in Extract Resources Limited for US\$142.44 million and realised a gain on disposal of US\$62.92 million. The Board utilised proceeds of the Extract Shares to fund a special dividend to shareholders of 3 pence per share for a total of US\$114.23 million.
 - During the period US\$5.46 million was devoted to the share buy-back programme and a total of 97.8 million shares were cancelled from the Company's share capital.
- The Company's significant interests in listed companies are:
 - 29.90% in Caledon Resources plc ("Caledon") valued on 25 March 2011 at US\$135.64 million in addition to £2.5 million of Caledon's 8.5% unsecured Convertible Loan Notes issued in 2010. ^[1] On 8 November 2010, Caledon announced the possible cash acquisition by Guangdong Rising (Australia) Pty Ltd ("GRAM") for 112 pence per share which would value Polo's equity interest at US\$161.81 million.
 - 29.82% in GCM Resources plc ("GCM") valued on 25 March 2011 at US\$50.16 million. ^[1]
- The Company's significant interests in other unlisted companies are:
 - Approximately 10.4% of Ironstone Resources Limited ("Ironstone"), a private Canadian company which owns the Clear Hills Iron Ore/Vanadium Project ("Clear Hills") in Alberta, Canada. On 27 February 2011 the company reported drilling progress has been steady, with 35% of the planned 160 diamond core holes completed. All core is being described and sampled for geochemistry and metallurgical analysis on site by Ironstone's team of geologists.
 - An approximate 30% interest in MinFer Holdings Limited ("MinFer"), a private company engaged in the acquisition of, and exploration of, iron ore projects in Brazil. The preliminary airborne survey of its Santo Sé exploration area highlighted a large anomalous area not previously identified, and follow up exploration is planned. At the same prospect, initial drilling is taking place at the Melancia Targets with 3 drill holes complete with initial positive indications.
 - In March 2011, the Company entered into agreements with Earth Coal Resources Limited, to procure coking coal and iron ore projects in Indonesia.

- In March 2011 the Company entered into a memorandum of understanding with three parties to invest US\$1.5 million to acquire an initial 10% interest in a new joint venture to explore for gold in the highly prospective Sierra de Bolivar in Columbia. The joint venture is in the process of acquiring 100% of the rights, title and interest in the mining concession contracts that may result from 29 applications filed with the Colombian Mining Authority.
- Net Asset Value (“NAV”) per share at 25 March 2011 is 6.60 pence per share. ^[2] Note that Ironstone and MinFer are not listed and interests are recorded on a conservative basis at the cost of acquisition.

Notes:

1. Based on closing prices on 25 March 2011.
2. The NAV at 25 March 2011 would be restated to 7.22 pence per share on the basis that the indicated offer price of 112 pence per share by GRAM had become unconditional.

Neil Herbert, Executive Co-Chairman and Managing Director of Polo Resources, said:

“The management’s goal is to maximize return for our shareholders. Within this financial period we disposed of the last of our uranium interests in Extract Resources Limited, realising a gain of US\$62.92 million and following which we paid a special dividend of 3 pence per share to our shareholders. The board also resolved to undertake a Share Buyback Programme.

“We remain supportive shareholders of GCM and Caledon and we are actively building a new generation of investments which have excellent growth potential. We are in the enviable position of regularly identifying interesting projects to invest in, both listed and private, and having the funds to invest in the projects that we believe have the most potential.”

Contacts:

Polo Resources Limited

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

CanaccordGenuity 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

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.

Update on Investments

Caledon Resources plc (AIM: CDN, ASX: CCD)

On 8 November 2010 the directors of Bidco, GRAM and Caledon announced that an agreement in principle had been reached with GRAM on the terms of a Possible Acquisition of Caledon by Bidco, a wholly owned indirect subsidiary of GRAM. GRAM expected to receive the necessary Chinese regulatory approvals by 28 February 2011. Although GRAM has made good progress on the approval process, it has not yet received the necessary approvals.

While Caledon has not been given any specific timeline with regard to finalisation of the Chinese approval process, its own enquiries also indicate it is well advanced.

Polo holds 83,311,520 shares in Caledon representing 29.9% of the enlarged issued share capital and £2.5 million of Caledon's 8.5% unsecured Convertible Loan Notes issued in 2010.

The acquisition of Caledon by GRAM at a price of 112 pence per share values Polo's equity interest at US\$161.81 million.

GCM Resources plc (AIM: GCM)

GCM has identified a world class coal resource of 572 million tonnes (JORC compliant) near the town of Phulbari in North West Bangladesh. GCM remains ready to move the Phulbari Project forward when the Bangladesh Government approves the project's Scheme of Development.

The mine will produce a mix of high quality thermal coal, low ash metallurgical coal (also known as semi-soft coking coal) and a good quality thermal coal suitable for the domestic industrial market. The coal will be extracted by the open cut mining method using trucks and hydraulic excavators. Substantial initial investment, relating to equipment costs, site preparation, box cut development and initial resettlement and other community programmes will take place over a three year period leading to the first commercial coal production. Ramp up to saleable coal production of 15 million tonnes per annum will take a further five years. The mine will have a life of over 30 years. The combination of high quality coal, a large resource, thick seams and low operating costs make Phulbari a world class deposit.

GCM's activities continue to be focused on ensuring the key decision makers have a thorough understanding of modern large scale coal mining. In late 2010 GCM management accompanied the Bangladesh Parliamentary Standing Committee on Power, Energy and Mineral Resources on a visit to existing open pit coal mines and coal fired power stations in Germany. The Committee has since recommended that the country moves to extraction of its coal reserves using open cut mining methods.

GCM and the Government of Bangladesh are continuing discussions in relation to the detail of the project and its implementation, including the effective management of social and environmental issues.

Polo holds 15,220,985 shares in GCM representing a 29.82% equity interest.

Other Investments

Ironstone Resources Limited

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

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

Historic work (pre NI 43-101) in the 1950s estimated a resource of over one billion tonnes of iron ore at Clear Hills, providing a good opportunity for Ironstone to increase its NI 43-101 resource significantly through a planned drilling campaign over the next few months. In addition Ironstone is due to extract a 10,000 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 demonstrated significant vanadium by-product and gold assays in recent core samples, suggesting the potential for additional revenues from those commodities.

NI 43-101 compliant mineral resources for the 2008 Rambling Creek program were estimated by SRK Consultants (Vancouver, Cardiff) ("SRK") and reported on 28 October 2010. Rambling Creek reported 140 million tonnes of indicated resource (33% Iron, 0.21% Vanadium Pentoxide) and 63 million tonnes of inferred resource (33% Fe). SRK notes that the oolitic ironstone at Rambling is laterally very extensive and that the mineral resources presented in the report only represent a small portion of the deposit.

In late January, the company commenced its 2011 resource definition drilling program on its North Whitemud River block. The program entails drilling up to 160 holes to define up to 300 million tonnes of compliant resource.

Vanadium is of particular interest as a potential co-product in a Clear Hills iron mine. Assays conducted by SGS Metallurgical Services in Lakefield, Ontario ("SGS") indicate an average of 0.22% Vanadium Pentoxide within the whole rock. After pre-concentration of the iron- and vanadium-rich ooid mass, the Vanadium Pentoxide concentration rises as high as 0.50%. The Rambling Creek block now contains the largest compliant Vanadium resource in North America, with an in-place resource of 646 million pounds of V_2O_5 . The company believes the potential exists to find similar levels of Vanadium Pentoxide across the balance of the deposit; however, this must still be proven through further drilling and core evaluation.

Based on historical assays and government reports, Ironstone embarked on a multidisciplinary program to determine if commercial grades of precious metals exist in the ore body. After initial cyanidation results on select core samples were positive for silver and gold, a gold deportment study was commissioned by Ironstone at SGS.

The study resulted in the identification, and documentation of free milling gold within Ironstone's core samples. Further independent fire-assays are being conducted at present in order to quantify gold grades.

Polo holds an approximate 10.4% interest in Ironstone.

MinFer Holdings Limited

Exploration has commenced on MinFer's Santo Sé Project located in the Colomi Iron Ore Province where Vale has already defined substantial iron ore resources (>one billion tonnes). Vale SA's leases are immediately north and south of MinFer's leases, with similar type of iron ore and anomalous response in the regional aeromagnetic survey. There are six hills with outcrops of iron formations within the lease area to be evaluated: Edgar, Pedrão, Dinossauro, Melancia Sul, Melancia Centro and Melancia North. Preliminary metallurgical test work indicates recovery above 90% by magnetic separation. Additional tests will be conducted during the ore resource evaluation.

A diamond drilling campaign is in progress on the Melancia Targets and an airborne geophysical survey has recently been completed. All exploration work on the Melancia Targets was presented to the Departamento Nacional de Produção Mineral (DNPM). The DNPM has indicated that it is prepared to grant three more years to the existent leases for exploration to continue. The preliminary airborne survey highlighted a large anomalous area, south of the Melancia Targets, where iron ore had not yet been recognized and will therefore require follow up exploration work. Detailed geological mapping was conducted on the Melancia Targets (North, Central and South) over 3.84 km² at 1:7,500 and 1:20,000 scales. Rock samples were collected at all targets mapped (39 in Melancia and five in Cone) and sent to SGS/Lakefield lab in Belo Horizonte-MG.

Polo holds an approximate 30% interest in MinFer.

At the date of this report Polo has a net cash position of US\$29.90 million and listed equity investments of US\$205.50 million. The combined value, cash, receivables, listed equity investments and non listed equity investments at cost was US\$250.06 million as at 25 March 2011, equivalent to 6.60 pence per share.

Polo is continuously seeking to identify undervalued investment opportunities both for short term and long term investment in accordance with the investment policy approved by shareholders in August 2010.

POLO RESOURCES LTD
CONSOLIDATED INCOME STATEMENT
FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

	6 months ended 31 December 2010	6 months ended 31 December 2009	Year ended 30 June 2010
Note	(unaudited) \$ 000's	(unaudited) \$ 000's	(audited) \$ 000's
Reversal of impairment of investment in subsidiaries	-	-	7,567
Administrative expenses	(4,735)	(2,794)	(7,919)
Share options expensed	-	-	(2,199)
Currency exchange (losses)	(1,115)	(6)	(1,415)
Investment income	1,500	317	774
Gains on sale of available for sale investments	65,119	14,148	20,130
Operating profit	60,769	11,665	16,938
Share of Joint Venture results	-	(3,833)	(3,554)
Share of Associates results	6 275	(1,010)	(3,983)
Other income	1,800	-	2,945
Finance revenue	606	13	130
Gain on Joint Venture disposal	-	-	19,049
Loan to Joint Venture written-off	-	-	(2,682)
Profit on ordinary activities before taxation	63,450	6,835	28,843
Income tax expense	-	-	-
Profit for the financial period	63,450	6,835	28,843
Attributable to:			
Equity holders of the parent	63,450	6,835	28,843
Earnings per share:	3		
Basic earnings per share (US cents)	2.61	0.29	1.23
Diluted earnings per share (US cents)	2.59	0.24	1.16

POLO RESOURCES LTD
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

	6 months ended 31 December 2010 (unaudited) \$ 000's	6 months ended 31 December 2009 (unaudited) \$ 000's	Year ended 30 June 2010 (audited) \$ 000's
Profit for the period	63,450	6,835	28,843
Gain on revaluation of available for sale investments	1,208	37,215	2,628
Currency translation differences	13,202	(6,029)	(31,057)
Other comprehensive income for the period net of taxation	<hr/> 14,410	<hr/> 31,186	<hr/> (28,429)
Total comprehensive income	<hr/> 77,860	<hr/> 38,021	<hr/> 414

POLO RESOURCES LTD
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	31 December 2010 (unaudited) \$ 000's	31 December 2009 (unaudited) \$ 000's	30 June 2010 (audited) \$ 000's
Non-current assets				
Tangible assets	8	11	5	4
Interest in Joint Venture		-	15,672	-
Interest in Associates	6	120,449	126,873	120,934
Available for sale investments	7	8,405	167,137	-
Trade and other receivables		-	2,700	-
Total non-current assets		128,865	312,387	120,938
Current assets				
Trade and other receivables		28,793	7,141	22,686
Available for sale investments	7	11,579	12,442	125,491
Cash and cash equivalents		49,826	9,996	37,795
Total current assets		90,198	29,579	185,972
Total Assets		219,063	341,966	306,910
Current Liabilities				
Trade and other payables		(4,904)	(339)	(2,517)
Total Liabilities		(4,904)	(339)	(2,517)
Net Assets		214,159	341,627	304,393
Shareholders' equity				
Share capital		-	-	-
Share premium	5	281,945	294,417	275,109
Share based payment reserve		2,588	3,017	6,675
Foreign exchange reserve		15,578	12,212	10,226
Available for sale investments reserve		1,194	94,618	53,012
Retained earnings		(87,146)	(62,637)	(40,629)
Total Equity		214,159	341,627	304,393

POLO RESOURCES LTD
CONSOLIDATED CASH FLOW STATEMENT
FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

	6 months ended 31 December 2010 (unaudited) \$ 000's	6 months ended 31 December 2009 (unaudited) \$ 000's	Year ended 30 June 2010 (audited) \$ 000's
Cash flows from operating activities			
Operating profit	60,769	11,665	16,938
Decrease/(increase) in trade and other receivables	1,858	(2,581)	1,874
Increase/(decrease) in trade and other payables	2,387	(8,482)	(6,304)
Foreign exchange translation	1,115	6	1,415
Share options expensed	-	-	2,199
Impairment charge of investment in Mongolia	-	-	(7,567)
Gains on sale of available for sale investments	(65,119)	(14,148)	(20,130)
Depreciation	1	1	4
Net cash inflow/(outflow) from operating activities	1,011	(13,539)	(11,571)
Cash flows from investing activities			
Interest received	606	13	130
Payments to acquire tangible assets	(8)	-	(2)
Investments in associates	(3,334)	-	(3,767)
Receipts on sale of available for sale investments	188,257	30,598	57,544
Purchase of available for sale investments	(66,771)	(20,087)	(32,343)
Loan to associate	(27,965)	-	-
Receipts on repayment of convertible loans	7,357	-	-
Net cash inflow/(outflow) from investing activities	98,142	10,524	21,562
Acquisitions and disposals			
Payments to acquire subsidiaries	-	-	(2)
Receipts on sale of Joint Venture	20,000	-	15,000
Net cash inflow from acquisitions and disposals	20,000	-	14,998
Cash flows from financing activities			
Issue of ordinary share capital	6,719	-	-
Share issue costs	(21)	-	(234)
Cost of buy back of shares/warrants	(5,484)	-	(1,485)
Dividends paid to company shareholders	(112,092)	-	-
Net cash (outflow) from financing activities	(110,878)	-	(1,719)
Net increase/(decrease) in cash and cash equivalents	8,275	(3,015)	23,270
Cash and cash equivalents at beginning of period	37,795	12,288	12,288
Exchange gain on cash and cash equivalents	3,756	723	2,237
Cash and cash equivalents at end of period	49,826	9,996	37,795

POLO RESOURCES LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

	Called up share capital	Share premium reserve	Foreign currency translation reserve	Available for sale investment reserve	Share based payment reserve	Retained earnings	Total
Group (unaudited)	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
As at 1 July 2010	-	275,109	10,226	53,012	6,675	(40,629)	304,393
Profit for the period	-	-	-	-	-	63,450	63,450
Currency translation differences	-	5,622	5,352	2,049	179	-	13,202
Gain on revaluation of available for sale investments	-	-	-	1,208	-	-	1,208
Total comprehensive income	-	5,622	5,352	3,257	179	63,450	77,860
Share capital issued	-	6,719	-	-	-	-	6,719
Purchase of own shares	-	(5,484)	-	-	-	-	(5,484)
Share issue costs	-	(21)	-	-	-	-	(21)
Share options exercised	-	-	-	-	(4,266)	4,266	-
Dividend paid	-	-	-	-	-	(114,233)	(114,233)
Revaluation transfer	-	-	-	(55,075)	-	-	(55,075)
As at 31 December 2010	-	281,945	15,578	1,194	2,588	(87,146)	214,159

	Called up share capital	Share premium reserve	Foreign currency translation reserve	Available for sale investment reserve	Share based payment reserve	Retained earnings	Total
Group (unaudited)	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
As at 1 July 2009	-	305,359	8,037	56,553	3,129	(69,472)	303,606
Profit for the period	-	-	-	-	-	6,835	6,835
Currency translation differences	-	(10,942)	4,175	850	(112)	-	(6,029)
Gain on revaluation of available for sale investments	-	-	-	37,215	-	-	37,215
Total comprehensive income	-	(10,942)	4,175	38,065	(112)	6,835	38,021
Share capital issued	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-
As at 31 December 2009	-	294,417	12,212	94,618	3,017	(62,637)	341,627

POLO RESOURCES LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (continued)
FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

Group (audited)	Called up share capital \$ 000's	Share premium reserve \$ 000's	Foreign currency translation reserve \$ 000's	Available for sale investment reserve \$ 000's	Share based payment reserve \$ 000's	Retained earnings \$ 000's	Total \$ 000's
As at 1 July 2009	-	305,359	8,037	56,553	3,129	(69,472)	303,606
Profit for the period	-	-	-	-	-	28,843	28,843
Currency translation differences	-	(26,625)	2,189	(6,169)	(452)	-	(31,057)
Gain on revaluation of available for sale investments	-	-	-	2,628	-	-	2,628
Total comprehensive income	-	(26,625)	2,189	(3,541)	(452)	28,843	414
Share capital issued	-	-	-	-	-	-	-
Cost of share issue	-	(3,625)	-	-	-	-	(3,625)
Share based payments	-	-	-	-	3,998	-	3,998
-	-	-	-	-	-	-	-
As at 30 June 2010	-	275,109	10,226	53,012	6,675	(40,629)	304,393

POLO RESOURCES LTD
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

1. Basis of preparation

The financial information has 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 2010 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 2010. The figures for the period ended 30 June 2010 have been extracted from these accounts, which have been delivered to the AIM Market operated by the London Stock Exchange, 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.

This Interim Financial Report was approved by the Board of Directors on 25 March 2011.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34 – Interim Financial Reporting as adopted by the European Union. 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 2010 annual financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Polo Resources Ltd 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 Dollars (\$).

(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 recognised as a separate component of equity.

POLO RESOURCES LTD
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

1. Foreign currencies (continued)

(c) Rates of exchange

Rates of exchange to US\$1 were as follows:

	As at 31 December 2010	Average for the 6 months to 31 December 2010	As at 30 June 2010	Average for the period to 30 June 2010
Pound Sterling	0.64650	0.63884	0.66371	0.63198

2. Segmental analysis - Group

For the purposes of segmental information, the operations of the group currently comprise one class of business: the investment in mining and exploration companies, with a view to enhancing Group shareholder values.

The parent company acts as a holding and administration company.

The Group's profit for the period arose from its investment sales, with all assets being held within British Virgin Island (BVI) subsidiaries.

POLO RESOURCES LTD
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

3. Earnings per share

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

	6 Months ended 31 December 2010 (unaudited) \$ 000's	6 Months ended 31 December 2009 (unaudited) \$ 000's	Year to 30 June 2010 (audited) \$ 000's
Net profit after taxation	63,450	6,835	28,843
Weighted average number of ordinary shares used in calculating basic earnings per share	2,429.76m	2,346.6m	2,346.65m
Basic earnings/(loss) per share (expressed in US cents)	2.61cents	0.29cents	1.23cents
<hr/>			
Weighted average number of ordinary shares in issue	2,429.76m	2,346.6m	2,346.65m
Adjustments for;			
- share options	16m	120.75m	131.83m
- warrants	-	415.46m	-
Weighted average number of shares for diluted earnings/(loss) per share	2,445.76m	2,882.81m	2,478.48m
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Diluted earnings/(loss) per share (expressed in US cents)	2.59cents	0.24cents	1.16cents
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Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has two categories of dilutive potential ordinary shares: warrants and share options. For the warrants and share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average period market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options that were in the money.

POLO RESOURCES LTD
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

4 Dividends

The dividends paid in the period to 31 December 2010 were \$114,233,067 (3 pence per share). No other dividends have been paid in any comparable period, and no dividends are proposed.

5 Share capital

Authorised	\$ 000's	
Unlimited Ordinary shares of no par value		-
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Called up, allotted, issued and fully paid	Number of shares	Nominal value \$000's
As at 1 July 2009	2,346,645,622	-
There were no share issues in the year to 30 June 2010	-	-
As at 30 June 2010	2,346,645,622	-
07 July 2010 shares cancelled	(29,800,000)	-
26 July 2010 options exercised for cash at 3.5p per share	61,833,333	-
27 July 2010 options exercised for cash at 3.5p, 4.28p & 5p per share	34,000,000	-
14 August 2010 options exercised for cash at 4p per share	20,000,000	-
3 September 2010 share repurchase and cancellation at 3.36p per share	(3,000,000)	-
22 November 2010 share repurchase and cancellation at 5.205p per share	(40,000,000)	-
2 December 2010 share repurchase and cancellation at 5.205p per share	(25,000,000)	-
	<hr/>	
As at 31 December 2010	2,364,678,955	-

Total share options in issue

During the period ended 31 December 2010, the company granted no options over ordinary shares.

As at 31 December 2010 the unexercised options in issue were;

Exercise Price	Expiry Date	Options in Issue 30 June 2010
9p	4 March 2018	16,000,000
		<hr/>
		16,000,000

No options lapsed and 115,833,333 options were exercised at 3.5p, 4p, 4.28p and 5p per share during the period to 31 December 2010. 8,916,667 options were cancelled during the period ended 31 December 2010.

Total warrants in issue

During the period ended 31 December 2010, the company granted no warrants to subscribe for ordinary shares. As at 31 December 2010 there are no warrants in issue.

POLO RESOURCES LTD
NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

6. Interest in associates

	<u>2010</u>
	\$ 000's
Group	
At beginning of the period	120,934
Investments in associates – equity purchases	3,334
Investments in associates – Repayment on loan notes	(7,357)
Share of associates loss for the period	(1,261)
Share of associates gain for the period	1,536
Currency translation differences	3,263
As at 31 December 2010	<u>120,449</u>

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

	Carrying Value	Fair Value
	\$ 000's	\$ 000's
GCM Resources Plc – interest in equity shares	33,124	60,978
Caledon Resources Plc – interest in equity shares	83,459	95,072
Caledon Resources Plc – interest in convertible loan notes	3,866	3,866
	<u>120,449</u>	<u>159,916</u>

Subsequent to 31 December 2010 the market value of the investment in associates has increased to US\$185.80 million as at 25 March 2011, which includes further equity purchases as detailed in Note 9.

Details of the Group associates at 31 December 2010 are as follows:

Name	Place of Incorporation	Proportion held	Date associate interest acquired	Reporting Date of associate	Principal activities
GCM Resources Plc	UK	29.82%	01/02/08	30/06/11	Coal Exploration
Caledon Resources Plc	UK	27.64%	05/06/08	31/12/10	Coal Mining

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FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

7. Available for sale investments

Group – Listed Investments	\$ 000's
At 1 July 2010	125,491
Acquired during the period	58,366
Disposals during the period	(188,257)
Realised gains on disposals	64,917
Currency translation differences	4,929
Transfer from equity	(55,075)
Movement in market value	1,208
At 31 December 2010	11,579

Group - Non Listed Investments

	\$ 000's
Group	
At beginning of the period	-
Acquisition of non listed investments	8,405
As at 31 December 2010	8,405

The available for sale investments, are split as below;

Non-current assets	8,405
Current assets	11,579
	19,984

Available for sale investments comprises investments in listed securities, which are traded on Stock markets throughout the world, and, which are held by the Group as a mix of strategic and short term investments. In the period commencing 1 July 2010, several significant disposals were made and the market value of Available for sale listed investments held at 25 March 2011 was US\$19.70 million.

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FOR THE 6 MONTHS ENDED 31 DECEMBER 2010

8. Property, plant and equipment

Group	Property, plant and equipment	Total
	\$ 000's	\$ 000's
At 1 July 2010	4	4
Additions	8	8
Disposals	-	-
Depreciation	(1)	(1)
As at 31 December 2010	11	11

9. Post balance sheet events

On 5 January 2011, Paul Ingram resigned as a director of the company.

On 20 January 2011, the Company issued 66.5million share options at an exercise price of 5.5p per share to Directors and Approved Grantees. The options will vest equally over 3 years or earlier subject to performance criteria and expire 12 months after the first anniversary of vesting.

On 4 February 2011, the Group subscribed for 21,226,324 new ordinary shares in Caledon Resources Plc at 90p per share. The Group set off the outstanding loans of £14.5million and AU\$4million due from Caledon to Polo, resulting in a net cash outlay of £805,746. Following the placing, Polo holds 83,311,520 shares in Caledon representing 29.9% of the enlarged share capital of Caledon, together with £2.5million of Caledon's 8.5% unsecured Convertible Loan Notes.

On 8 February 2011, Polo made a US\$5million investment in MinFer Holdings Limited. Polo subscribed for 51,731,199 new ordinary shares in the capital of MinFer, representing 30% of the enlarged share capital of MinFer. Polo has also been granted a warrant to subscribe for 25,865,600 ordinary shares at a price of US\$0.145 per share, exercisable for a period of 2 years from 4 February 2011. Minfer is not listed on any stock exchange.

On 3 March 2011, Polo signed a letter of intent with Earth Coal Resources Ltd to procure coking coal projects in Indonesia under a proposed Joint Venture Agreement.

On 25 March 2011, Polo formalised its Joint Venture Agreement with Earth Coal Resources following the signing of various legal agreements.

On 25 March 2011, Polo also formalised contractual agreements with Earth Investment Group to procure iron ore projects in Indonesia under a Joint Venture Agreement.

Corporate Information

Registered number 1406187 registered in British Virgin Islands

Directors
Stephen Dattels – Executive Chairman
Neil Herbert – Executive Chairman and Managing Director
Guy Elliott – Senior Non Executive Director
Ian Stalker – Non Executive Director
Bryan Smith - Non Executive Director
James Mellon – Non Executive Director

Registered Office
Craigmuir Chambers
Road Town, Tortola
British Virgin Islands VG 1110

Email: info@poloresources.com
Website: www.poloresources.com

Auditors
Chapman Davis LLP
2 Chapel Court
London SE1 1HH
United Kingdom

Nominated Advisor and Broker
Canaccord Genuity Limited
7th Floor, 80 Victoria Street
London SW1E 5JL
United Kingdom

Financial Advisors
BMO Capital Markets Inc.
BMO Nesbitt Burns Inc.
100 King Street West
Toronto, ON M5X 1H3
Canada

Principal Bankers
HSBC Bank plc
PO Box 14
St. Helier
Jersey JE4 8NJ
Channel Islands

Depository
Computershare Investor Services Plc
PO Box 82, The Pavillions
Bridgewater Road
Bristol BS99 6ZY
United Kingdom

Solicitors to the Company as to English Law

Charles Russell LLP
5 Fleet Place
London EC4M 7RD
United Kingdom

Solicitors to the Company as to Canadian Law

Heenan Blaikie LLP
333 Bay Street, Suite 2900
Toronto, ON M5H 2T4
Canada

Solicitors to the Company as to BVI Law

Harney Westwood & Riegels LLP
Third Floor, 7 Ludgate Broadway
London EC4V
United Kingdom

Registrars

Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES
Channel Islands

Computershare Investor Services
100 University Ave
9th Floor, North Tower
Toronto, Ontario M5J 2Y1
Canada