Oil & Gas | Gold | Iron Ore | Coal

Polo Resources

AIM and BSX: POL

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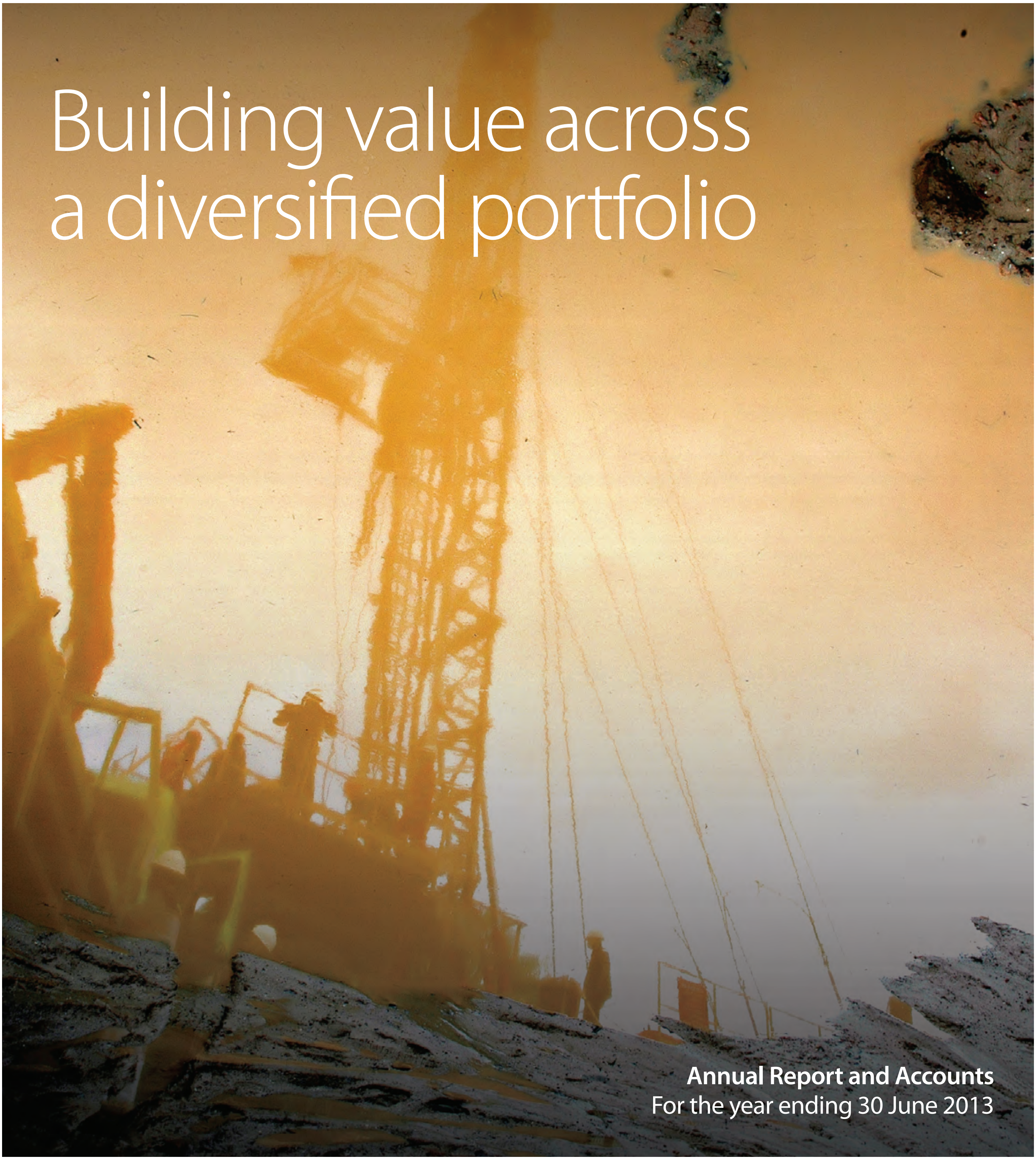
Building value across a diversified portfolio



Annual Report and Accounts

For the year ending 30 June 2013

Corporate Directory

Registered Number
1406187

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British Virgin Islands

Nominated Advisors
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Solicitors to the Company as to BVI Law
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Solicitors to the Company as to Canadian Law
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Bermuda Listing Sponsor
Global Custody & Clearing Limited
27 Reid Street
Hamilton
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Company Briefing

As an investment company focused on natural resources and mine development, Polo Resources works to select, acquire and manage substantial investments in companies and projects with strong value enhancement potential and attractive growth prospects, and to utilise this ability to deliver value-adding returns.

The current portfolio comprises Nimini Holdings Limited (90%), Signet Petroleum Limited (44.90%), Regalis Petroleum Limited (8.32%), Equus Petroleum Plc (1.95%), GCM Resources plc (27.8%), Ironstone Resources Limited (15.16%) and various short term liquid investments.

Well financed and strategically experienced in the identification of under-valued investment opportunities, Polo Resources is working to continue its development, to build upon its recent performance and to make further timely investments in a selection of value-adding natural resource opportunities.

Contents

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
Executive 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$0.31 cents).

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 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.

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) – see Figure overleaf.

All resource blocks remain open at depth 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.

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.

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.

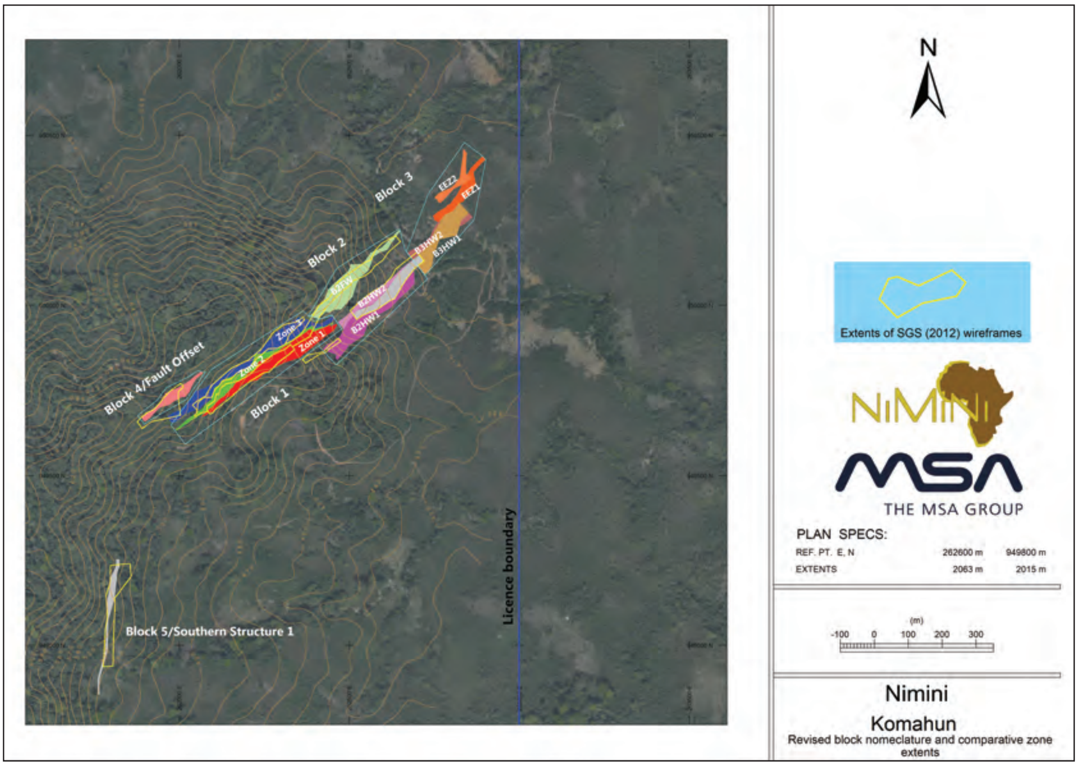
A programme of surface sampling, pits and trenches was completed in September 2013 within the greater Mining Licence area to assist in defining targets for future drilling which have the potential to significantly expand the resource base at Nimini.

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

Revised Zonal Strike Extents and Block Nomenclature for Komahun



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
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.

Management and Leadership

Good governance ensures that the highest standards are maintained across all aspects of the Company's operations. The commitment to responsible governance begins at Board level and flows throughout the Polo Resources operation.

Michael Tang (aged 40)
Executive Chairman
Mr. Tang is the principal of Mettiz Capital Limited, an investment company with significant corporate and financial experience in natural resources, power generation, manufacturing and real estate and which has a 14.55% shareholding in the Company. Mr. Tang qualified as a barrister in London and holds a Bachelor of Laws degree from the London School of Economics and Political Science.

Ian Burns (aged 54)
Finance Director
Mr. Burns is a fellow of both the Institute of Chartered Accountants in England and Wales and the Chartered Institute for Securities and Investment. He is the founder and Senior Executive Director of Via Executive Limited, a specialist management consulting company and the Managing Director of Regent Mercantile Holdings Limited, a privately owned investment company. For over twenty years Mr. Burns has specialised in corporate governance, risk management, accounting and administration for companies in a number of industry sectors and is currently a Non-Executive Director of Phaunos Timber Fund Limited and Twenty Four Income Fund LImited both listed on the London Stock Exchange and Azincourt Uranium Inc which is listed on the Toronto Stock Exchange, as well as several fund management companies engaged in the property, and alternative investment sectors. He is licensed as a personal fiduciary by the Guernsey Financial Services Commission.

Guy Elliott (age 54)
Non-Executive Director
Mr. Elliott is a co-founder of F3 Capital Management, LLC, an independent alternative asset management firm specialising in early stage financings in the natural resources field. Previously Mr. Elliott was president and co-founder of Croesus Capital Management, a specialist emerging markets hedge fund from 1993 to 2001, President of Rothschild Emerging Markets and manager of the Rothschild Emerging Markets Natural Resources Fund. Mr. Elliott is Vice Chairman of AIM listed Top Level Domain Holdings. Past Directorships include Aurelian Oil & Gas an AIM listed E&P company and Direct Petroleum Exploration Inc., a private Denver based E&P company.

Kian Meng Cheah (aged 41)
Non-Executive Director
Mr. Kian Meng Cheah has more than 16 years banking and investment management experience with financial institutions in South East Asia including Standard Chartered Bank and Merrill Lynch International. He has held a number of private company directorships in Singapore and Malaysia involved in private equity and real estate investment. He is an Executive Director and a member of the Investment Committee of Infiniti Premium Resources Ltd., a fund focusing on resource-based industries with current investments in gold mines across Asia, Australia and Africa. Mr. Cheah is also an Executive Director of the Select Equity Growth Ltd. fund with a focus across diversified sectors in South East Asia, Hong Kong and Australia. He holds a Bachelor of Commerce (Accounting) from Curtin University of Technology, Australia.

Forward-looking Statements

Certain statements in this report are "Forward Looking statements". These statements are not based on historical facts, but rather on the management's expectations regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, planned exploration and development drilling activity and the results of such drilling activity, business prospects and opportunities. Such Forward Looking statements reflect management's current beliefs and assumptions and are based on information currently available to management.

Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes, the results of exploration and development drilling and related activities, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although the forward-looking statements contained in this Document are based upon what management believes to be reasonable assumptions the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

Consolidated Annual Financial Statements For the year ended 30 June 2013

Contents

Directors' Report

The Directors are pleased to present this year's Annual Report together with the consolidated financial statements for the year ended 30 June 2013.

Principal Activity

The principal activity of the Group is that of a natural resources investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth prospects. Polo aims to build a diversified portfolio of mineral and hydrocarbon assets which the Board of Directors consider as offering substantial growth potential, pursuing both short and long-term value enhancing investments.

Business Review and Future Developments

A review of the current and future development of the Group's business is given in the Chairman's Statement, Finance Review and Investment update on pages 4 to 10.

Results and Dividends

Loss on ordinary activities of the Group after taxation amounted to US$16.2million (2012: Profit US$7.2million). The Directors do not recommend payment of a dividend in respect of the financial year under review.

Key Performance Indicators

Given the nature of the business the Directors are of the opinion that analysis using KPIs is not appropriate for an understanding of the development, performance or position of the business at this time.

Post Balance Sheet Events

At the date these financial statements were approved, being 17 December 2013, the Directors were not aware of any significant post balance sheet events other than those set out in the notes to the financial statements.

Directors' Report (continued)

Directors

The names of the Directors who served and any changes during the year are set out below:

Director	Date of Appointment	Date of Resignation
Executive Directors		
Michael Tang	14 May 2013	
Stephen Dattels		17 October 2013
Neil Herbert		14 May 2013
Ian Burns	26 May 2011	
Non-Executive Directors		
Guy Elliott	23 May 2007	
Bryan Smith		28 March 2013
James Mellon		14 May 2013
Ian Stalker		2 April 2013
Kian Meng Cheah	14 May 2013	

Directors' Remuneration

The Company remunerates the Directors at a level commensurate with the size of the Company and the experience of its Directors. The Remuneration Committee has reviewed the Directors' remuneration and believes it upholds the objectives of the Company with regard to this issue. Details of the Directors' emoluments and payments made for professional services rendered are set out in Note 8 to the financial statements.

Directors' Interests

The total beneficial interests of the serving Directors in the shares and options of the Company during the year to 30 June 2013 were as follows:

	30 June 2013 or earlier date of resignation		**30 June 2012 pre 10:1 consolidation**	
Director	Shares	Options*	Shares	Options*
Michael Tang	39,218,775	6,000,000	-	-
Stephen Dattels	10,759,592	4,000,000	224,040,835	40,000,000
Neil Herbert	8,538,563	4,000,000	85,385,625	40,000,000
Guy Elliott	1,000,000	1,000,000	10,000,000	10,000,000
Bryan Smith	1,058,124	1,000,000	10,581,240	10,000,000
James Mellon	2,450,000	1,000,000	24,500,000	10,000,000
Ian Stalker	589,500	1,000,000	5,895,000	10,000,000
Ian Burns	800,000	1,000,000	-	10,000,000
Kian Meng Cheah	-	-	-	-

* The option details have been fully disclosed in Note 21 to the financial statements.

Corporate Governance

A statement on Corporate Governance is set out on pages 18 to 20.

Environmental Responsibility

The Company is aware of the potential impact that activities conducted by it and some of its subsidiary companies may have on the environment. The Company ensures that it, and its subsidiaries at a minimum, comply with the local regulatory requirements and the revised Equator Principles with regard to the environment.

Employment Policies

The Group is committed to promoting policies which ensure that high calibre employees and consultants are attracted, retained and motivated to ensure the ongoing success for the business. Employees and those who seek to work within the Group are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin.

Directors' Report (continued)

Health and Safety

The Group aims to achieve and maintain a high standard of workplace safety. In order to achieve this objective the Group provides ongoing training and support to employees and set demanding standards for workplace safety.

Payment to Suppliers

The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement provided the supplier has met the terms and conditions. Suppliers are typically paid within 30 days of issue of invoice.

Political Contributions and Charitable Donations

During the year the Group did not make any political contributions or charitable donations.

Annual General Meeting ("AGM")

This report and financial statements will be presented to shareholders for their approval at the AGM. The Notice of the AGM will be distributed to shareholders together with the Annual Report.

Statement of Disclosure of Information to Auditors

As at the date of this report the serving Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution to re-appoint Chapman Davis LLP and to authorise the Directors to fix their remuneration will be proposed at the next Annual General Meeting.

Going Concern

The Directors are of the opinion that ongoing evaluation of the Company's various interests indicate that preparation of the Group's accounts on a going concern basis is appropriate.

Directors' Report (continued)

Statement of Directors' Responsibilities

The Directors prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the Annual Report includes information required by AIM, the market of that name operated by The London Stock Exchange.

Electronic Communication

The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Company's website is maintained in accordance with AIM Rule 26.

Legislation in the British Virgin Islands governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

By order of Board:

Ian Burns
Finance Director
17 December 2013

Corporate Governance Statement

The Board is committed to maintaining high standards of corporate governance. The Listing Rules of the Financial Services Authority incorporate the UK Corporate Governance Code (formerly the Combined Code), which sets out the principles of Good Governance, and the Code of Best Practice for listed companies. Whilst the Company is not required to comply with the UK Corporate Governance Code ("UK Code"), the Company's corporate governance procedures take due regard of the principles of Good Governance set out in the UK Code in relation to the size and the stage of development of the Company.

Board of Directors

The Board of Directors currently comprises two Executive Directors, one of whom is the Chairman, and two Non-Executive Directors. The Directors are of the opinion that the Board currently comprises a suitable balance and that the recommendations of the UK Code have been implemented to an appropriate level. The Board maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

Board Meetings

The Board meets regularly throughout the year. For the year ending 30 June 2013 the Board met 11 times in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Directors who are charged with consulting the Board on all significant financial and operational matters.

All Directors have access to the advice of the Company's solicitors and other professional advisers as necessary and information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. All Directors have access to independent professional advice, at the Company's expense, as and when required.

Board Committees

The Board has established the following committees, each of which has its own terms of reference:

Audit Committee
The Audit Committee considers the Group's financial reporting (including accounting policies) and internal financial controls. The Audit Committee comprises two Executive Directors, and one Non-Executive Director; Guy Elliott (Chairman), Michael Tang and Ian Burns and is responsible for ensuring that the financial performance of the Group is properly monitored and reported on.

Remuneration Committee
The Remuneration Committee is responsible for making recommendations to the Board in respect of Directors' and senior executives' remuneration. It comprises two Executive Directors and one Non-Executive Director; Guy Elliott (Chairman), Michael Tang and Ian Burns. Non-Executive Directors' remuneration and conditions are considered and agreed by the Board. Financial packages for Executive Directors are established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievements and of recognised job qualifications and skills. The Committee will also have regard to the terms which may be required to attract an equivalent experienced executive to join the Board from another company.

Investment Committee
The Investment Committee has been created as a sub-committee of the Board of Directors to oversee the significant investments Polo has maintained in strategic and short term investments. The committee has been set up to monitor the performance of these investments and reports to the Board of Directors accordingly, making recommendations on both potential investments and divestments. The committee is chaired by Guy Elliott (Senior Non-Executive Director) and has one executive Director, Michael Tang.

Internal Controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. The Directors are aware that no system can provide absolute assurance against material misstatement or loss. However, in the interest of the further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Corporate Governance Statement (continued)

Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management to budgets and forecasts. Project milestones and timelines are regularly reviewed.

Risks and Uncertainties

The principal risks facing the Company are set out below. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

General and Economic Risks

- contractions in the world's major economies or increases in the rate of inflation resulting from international conditions;
- movements in the equity and share markets in the United Kingdom and throughout the world;
- weakness in global equity and share markets in particular, in the United Kingdom, and adverse changes in market sentiment towards the natural resource industry;
- currency exchange rate fluctuations and, in particular, the relative prices of US Dollar, Australian Dollar, Canadian Dollar, and the UK Pound;
- exposure to interest rate fluctuations; and
- adverse changes in factors affecting the success of exploration and development operations, such as increases in expenses, changes in government policy and further regulation of the industry; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

Funding Risk

- The Group or the companies in which it has invested may not be able to raise, either by debt or further equity, sufficient funds to enable completion of planned exploration, investment and/or development projects.

Commodity Risk

- Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a wide range of factors, most of which are outside the control of the Company. Mining, processing and transportation costs also depend on many factors, including commodity prices, capital and operating costs in relation to any operational site.

Exploration and Development Risks (relating to investments)

- Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
- Success in identifying economically recoverable reserves can never be guaranteed. The Company also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.
- Some of the countries in which the Company operates have native title laws which could affect exploration and development activities. The companies in which the Company has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes which may vary from country to country. The Group's policy is to follow all applicable laws and regulations and the Company is not currently aware of any material issues in this regard.
- Timely approval of mining permits and operating plans through the respective regulatory agencies cannot be guaranteed.
- Availability of skilled workers is an ongoing challenge.
- Geology is always a potential risk in mining activities.

Market Risk

- The ability of the Group (and the companies it invests in) to continue to secure sufficient and profitable sales contracts to support its operations is a key business risk.

Corporate Governance Statement (continued)

Insurance

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company.

Treasury Policy

The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group and take advantage of opportunities as they arise. Decisions regarding the management of these assets are approved by the Board. Refer Note 23.

Securities Trading

The Board has adopted a Share Dealing Code that applies to Directors, senior management and any employee who may be in possession of 'inside information'. All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

Relations with Shareholders

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements and regular updates of the Company website. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

Independent Auditors' Report to the Shareholders of Polo Resources Limited

We have audited the Group and parent company financial statements of Polo Resources Limited for the year ended 30 June 2013, which comprise the Group and Parent Statements of Comprehensive Income, the Group and Parent Balance Sheets, Group and Parent Cash Flow Statements, Group and Parent Statements of Changes in Equity, and the related notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2013 and of the Group's and the Parent Company's loss and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with Article 4 of the IAS Regulation; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Chapman Davis

Chapman Davis LLP
Registered Auditors
London, United Kingdom
17 December 2013

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

Company 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
Administrative expenses		**(3,264)**	(6,775)
Share options expensed	**8, 21**	**(2,467)**	(882)
Currency exchange gain/(losses)		**(26)**	4,694
Impairment of investment in Subsidiaries	**14**	**-**	(21,328)
Impairment of investment in Joint Venture		**-**	(2,214)
Loan to subsidiary written off		**(897)**	-
(Loss) on sale of investments		**(1,651)**	-
Investment income	**5**	**-**	133,598
Operating (loss)/profit	**3**	**(8,305)**	107,093
Share of Joint Venture results		**-**	(150)
Finance revenue	**7**	**590**	665
Other income	**6**	**547**	240
(Loss)/profit before taxation		**(7,168)**	107,848
Income tax expense	**9**	**-**	-
Retained (loss)/profit after taxation		**(7,168)**	107,848
Other comprehensive income			
(Loss) on revaluation of available for sale investments		**-**	(1,519)
Transfer to income statement of available for sale investments		**1,519**	-
Currency translation differences		**(2)**	(4,850)
Other comprehensive income for the year net of taxation		**1,517**	(6,369)
Total comprehensive income for the year		**(5,651)**	101,479

Group Balance Sheet as at 30 June 2013

		30 June 2013		30 June 2012	
	Note	$ 000's	$ 000's	$ 000's	$ 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

These financial statements were approved by the Board of Directors on 17 December 2013 and signed on its behalf by:

Michael Tang
CHAIRMAN & MANAGING DIRECTOR

Ian Burns
FINANCE DIRECTOR

Company Balance Sheet as at 30 June 2013

		30 June 2013		30 June 2012	
	Note	**$ 000's**	**$ 000's**	$ 000's	$ 000's
ASSETS					
Non-current assets					
Tangible assets	**13**	**-**		11	
Investment in subsidiaries	**14**	**-**		-	
Investment in joint venture	**15**	**-**		-	
Available for sale investment	**17**	**-**		398	
Trade and other receivables	**18**	**156,635**		120,700	
Total non-current assets			**156,635**		121,109
Current assets					
Trade and other receivables	**18**	**254**		1,585	
Available for sale of investments	**17**	**797**		2,336	
Cash and cash equivalents		**21,411**		41,576	
Total Current Assets			**22,462**		45,497
TOTAL ASSETS			**179,097**		166,606
LIABILITIES					
Current Liabilities					
Trade and other payables	**19**	**(401)**		(445)	
TOTAL LIABILITIES			**(401)**		(445)
NET ASSETS			**178,696**		166,161
EQUITY					
Equity contribution		**301,210**		285,491	
Retained earnings		**(128,354)**		(123,134)	
Foreign exchange reserve		**4,007**		4,009	
Available for sale investment reserve		**-**		(1,519)	
Share based payments reserve	**21**	**1,833**		1,314	
TOTAL EQUITY			**178,696**		166,161

These financial statements were approved by the Board of Directors on 17 December 2013 and signed on its behalf by:

Michael Tang
CHAIRMAN & MANAGING DIRECTOR

Ian Burns
FINANCE DIRECTOR

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

Company 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		**(8,305)**	107,093
Decrease/(increase) in trade and other receivables		**1,331**	(1,324)
(Decrease) in trade and other payables		**(44)**	(125)
Decrease/(increase) in available for sale investments		**1,805**	(3,456)
Share options expensed		**2,467**	882
Loan to subsidiary written off		**897**	-
Foreign exchange loss/(gain)		**26**	(4,694)
Impairment of investment in subsidiaries		**-**	21,328
Impairment of investment in joint venture		**-**	2,214
Depreciation		**11**	8
Net cash (out)/inflow from operating activities		**(1,812)**	121,926
Cash flows from investing activities			
Finance Revenue		**424**	634
Other income		**372**	-
Purchase of tangible assets		**-**	(12)
Loans advanced to subsidiaries		**(18,248)**	(53,692)
Loan advanced to third party		**(2,189)**	(2,500)
Net cash (out)flow from investing activities		**(19,641)**	(55,570)
Acquisitions and disposals			
Payments to acquire subsidiaries		**-**	-
Net cash inflow from acquisitions and disposals		**-**	-
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		**(21,453)**	(5,110)
Cash and cash equivalents at beginning of year		**41,576**	45,796
Exchange gain on cash and cash equivalents		**1,288**	890
Cash and cash equivalents at end of year	**22**	**21,411**	41,576

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

Group	Share premium reserve $ 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 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**

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

	Share premium reserve	Available for sale investment reserve	Foreign exchange reserve	Share based payment reserve	Retained earnings	Total equity
Company	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
As at 1 July 2011	**285,491**	**-**	**8,859**	**600**	**(159,684)**	**135,266**
Profit for the year	-	-	-	-	107,848	**107,848**
(Loss) on revaluation of available for sale investments	-	(1,519)	-	-	-	**(1,519)**
Currency translation differences	-	-	(4,850)	-	-	**(4,850)**
Total comprehensive income	**-**	**(1,519)**	**(4,850)**	**-**	**107,848**	**101,479**
Share based payments	-	-	-	882	-	**882**
Share options cancelled	-	-	-	(168)	168	**-**
Dividend paid	-	-	-	-	(71,466)	**(71,466)**
Total contributions by and distributions to owners of the Company	-	-	-	714	(71,298)	**(70,584)**
As at 30 June 2012	**285,491**	**(1,519)**	**4,009**	**1,314**	**(123,134)**	**166,161**
(Loss) for the year	-	-	-	-	(7,168)	**(7,168)**
Transfer to income statement	-	1,519	-	-	-	**1,519**
Currency translation differences	-	-	(2)	-	-	**(2)**
Total comprehensive income	**-**	**1,519**	**(2)**	**-**	**(7,168)**	**(5,651)**
Share based payments	-	-	-	2,467	-	**2,467**
Share options cancelled	-	-	-	(1,948)	1,948	**-**
Shares issued	15,719	-	-	-	-	**15,719**
Total contributions by and distributions to owners of the Company	**15,719**	**-**	**-**	**519**	**1,948**	**18,186**
As at 30 June 2013	**301,210**	**-**	**4,007**	**1,833**	**(128,354)**	**178,696**

Notes to the Financial Statements for the year ended 30 June 2013

1 Summary of Significant Accounting Policies

(a) Authorisation of financial statements

The Group financial statements of Polo Resources Limited for the year ended 30 June 2013 were authorised for issue by the Board on 17 December 2013 and the balance sheets signed on the Board's behalf by Michael Tang and Ian Burns. The Company is registered in the British Virgin Islands under the BVI Business Companies Act 2004 with registered number 1406187. The Company's Ordinary Shares are traded on the AIM, the market of that name operated by the London Stock Exchange and are also listed on the Bermuda Stock Exchange (BSX).

(b) Statement of compliance with IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's and Subsidiaries' financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

Future changes in accounting policies

IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements:

New/Revised International Financial Reporting Standards (IAS/IFRS)	**Effective date** (accounting periods commencing on or after)
IAS 27 Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (as amended in May 2011)	1 January 2013
IAS 28 Investments in Associates – Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in May 2011)	1 January 2013
IFRS 9 Financial Instruments - Classification and Measurement	1 January 2013
IFRS 10 Consolidated Financial Statements*	1 January 2013
IFRS 11 Joint Arrangements*	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities*	1 January 2013
IFRS 13 Fair Value Measurement*	1 January 2013
Amendment to IAS32 Financial Instruments Presentation	1 January 2014
Amendments to IFRS7 Financial Instruments: Disclosures	1 January 2015
Amendments to IFRS9 Financial Instruments	1 January 2015
Amendments to IAS19 Employee Benefits	1 January 2013
IFRIC20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

* Original issue May 2011

(c) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

The financial report is presented in US Dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

Notes to Financial Statements
for the year ended 30 June 2013, continued

(d) Basis of consolidation

The consolidated financial information incorporates the results of the Company and its subsidiaries (the “Group") using the purchase method. In the consolidated balance sheet, the acquiree’s identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained. Inter-company transactions and balances between Group companies are eliminated in full.

(e) Business combinations

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are taken into consideration when assessing whether the group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group’s voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, for example the reappointment of directors in general meeting etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to Financial Statements for the year ended 30 June 2013, continued

(f) Interest in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting except when classified as held for sale. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associates, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are not recognised unless the Group has an obligation to fund such losses.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

(g) Goodwill and intangible assets

Intangible assets are recorded at cost less eventual amortisation and provision for impairment in value. Goodwill on consolidation is capitalised and shown within fixed assets. Positive goodwill is subject to an annual impairment review, and negative goodwill is immediately written-off to the income statement when it arises.

(h) Interest in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

These consolidated financial statements include the Group's share of the total recognised gains and losses of joint ventures using the equity method, from the date that significant influence or joint control commences to the date that it ceases, based on present ownership interests and excluding the possible exercise of potential voting rights, less any impairment losses. When the Group's interest in a joint venture has been reduced to nil because the Group's share of losses exceeds its interest in the joint venture, the Group only provides for additional losses to the extent that it has incurred legal or constructive obligations to fund such losses, or where the Group has made payments on behalf of the joint venture. Where the disposal of an investment in a joint venture is considered to be highly probable, the investment ceases to be equity accounted and, instead, is classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell.

(i) Revenue

The Groups' principal income was derived from investment activities during the year ending 30 June 2013.

(j) Foreign currencies

The Company's functional currency is US Dollar ($). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Polo Resources Limited, which is US Dollar ($), at the rate of exchange ruling at the balance sheet date and their income statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

All other differences are taken to the income statement with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

Notes to Financial Statements
for the year ended 30 June 2013, continued

(k) Significant accounting judgments, estimates and assumptions

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

(ii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

(l) Finance costs/revenue

Borrowing costs are recognised as an expense when incurred.

Finance revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(m) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in-hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(n) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Notes to Financial Statements for the year ended 30 June 2013, continued

(o) Available for sale Investments

Equity investments other than subsidiaries, associates and joint ventures are classified as available-forsale investments. They are carried at fair value, where this can be reliably measured, with movements in fair value recognised directly in the available-for-sale reserve. Where the fair value cannot be reliably measured, the investment is carried at cost.

Any impairment losses in equity investments classified as available-for-sale investments are recognised in the income statement and are not reversible through the income statement, and are determined with reference to the closing market share price at the balance sheet date. Any subsequent increase in the fair value of the available-for-sale investment above the impaired value will be recognised within the available-for-sale reserve.

Available-for-sale investments are included within non-current assets unless the carrying value is expected to be recovered principally through sale rather than continuing use, in which case they are included within current assets. On disposal, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had previously been recognised directly in reserves is recognised in the income statement.

Income from available-for-sale investments is accounted for in the income statement on an accruals basis.

(p) Financial instruments

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors. The Group has held active overseas subsidiaries in BVI, Guernsey and Sierra Leone whose expenses are denominated in US Dollars, AU Dollars and Leone. Market price risk is inherent in the Group's activities and is accepted as such.

There is no material difference between the book value and fair value of the Group's cash.

(q) Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the tax computations, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case it is also dealt with in equity.

(r) Equity contribution

This reserve is used to record the valuation of shares issued, less any attributable costs of these issues, and other specific capital related costs.

(s) Available for sale investment reserve

This reserve is used to record the post-tax fair value movements in available-for-sale investments.

(t) Share based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration and provided to consultants and advisers hired by the Group from time to time as part of the consideration paid.

(u) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Notes to Financial Statements for the year ended 30 June 2013, continued

(v) Property, plant and equipment

General

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Land is measured at fair value less any impairment losses recognised after the date of revaluation. Depreciation is provided on all tangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

- Land (including option costs) – Nil
- Plant and Equipment – between 5% and 25%

All assets are subject to annual impairment reviews.

Exploration and evaluation

Once a licence to explore an area has been secured, expenditures on exploration and evaluation activities are capitalised within property, plant and equipment.

The Company records its capitalised exploration and evaluation at cost. The capitalised cost is based on cash paid, the value of share consideration and exploration costs incurred. The recoverable values are not always readily determinable and are dependent on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

All costs related to the acquisition, exploration and evaluation of these interests are capitalised on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are moved into development or production, sold or management has determined there to be an impairment of the value.

Management reviews the carrying value of capitalised exploration and evaluation costs at least annually. In the case of undeveloped projects, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding the Company's intentions for development of the undeveloped property. In some cases, the undeveloped properties are regarded as successors to ore bodies currently in production. Where this is the case, it is intended that these will be developed and go into production when the current source of ore is exhausted or to replace the reduced output.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mining interests within property, plant and equipment.

Mining interests

Mining interests represent capitalised expenditures related to the development of mining properties, acquisition costs, capitalised borrowing costs, expenditures related to exploration and evaluation transferred in and estimated site closure and reclamation costs.

Capitalised costs are depleted using the unit of production method over the estimated economic life of the mine to which they relate.

Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation, depletion and impairment charges.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment.

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalised. Any remaining book value associated with the component being replaced is derecognised upon its replacement. Directly attributable expenses incurred for major capital projects and site preparation are capitalised until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognised as a provision.

Notes to Financial Statements
for the year ended 30 June 2013, continued

(v) Property, plant and equipment (continued)

Depreciation

Mining interests are depreciated to estimated residual value using the unit-of-production method based on the estimated total recoverable ounces contained in proven and probable reserves at the related mine when the production level intended by management has been reached ("commencement of commercial production").

The production level intended by management is considered to be reached when operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time and there are indicators that these operating results will be sustained. Other factors include one or more of the following:

- A significant utilisation rate of plant capacity has been achieved;
- A significant portion of available funding is directed towards operating activities;
- A pre-determined, reasonable period of time of stable operation has passed; and
- A development project significant to the primary business objective of the Company has been completed and significant milestones have been achieved.

Management reviews the estimated useful lives, residual values and depreciation methods of the Company's property, plant and equipment at the end of each reporting period and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

Plant and equipment cost is depreciated, using the straight-line method over their estimated useful lives, if shorter than the mine life, otherwise they are depreciated on the unit-of-production basis.

Plant and equipment includes building, plant and equipment, vehicles, furniture and fixtures and computer equipment and their estimated useful lives ranges from 2.5 years to 10 years.

Assets under construction are depreciated when they are complete and available for their intended use, over their estimated useful lives.

(w) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Notes to Financial Statements
for the year ended 30 June 2013, continued

(x) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(y) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

(z) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to employees (including senior executives) and consultants of the Group in the form of share-based payments, whereby employees and consultants render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black- Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Polo Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees and consultants become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 11).

(aa) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of Ordinary Shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential Ordinary Shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential Ordinary Shares; divided by the weighted average number of Ordinary Shares and dilutive potential of Ordinary Shares, adjusted for any bonus element.

Notes to Financial Statements
for the year ended 30 June 2013, continued

2 Segmental analysis - Group

Segment information is presented in respect of the Group's management and internal reporting structure. As currently the Group is not in production, there is no revenue being generated, and the main business segment is that of an investment group and corporate administrative entity.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

By geographical area

2013	BVI/Parent $ 000's	Americas $ 000's	Australasia $ 000's	Africa $ 000's	Europe $ 000's	Total $ 000's
Result						
Operating (loss)	(7,107)	-	(6,530)	(47)	-	**(13,684)**
Share of associates results	-	-	-	(1,975)	(1,481)	**(3,456)**
Other income	372	-	-	-	-	**372**
Finance revenue	590	-	-	-	-	**590**
(Loss) before taxation	(6,145)	-	-	(2,022)	(1,481)	**(16,178)**
Other information						
Depreciation and amortisation	11	-	-	-	-	**11**
Capital additions	-	-	-	22,012	-	**22,012**
Assets						
Segment assets	3,027	11,914	-	98,187	29,002	**142,130**
Financial assets	4,768	-	-	90	-	**4,858**
Cash	21,411	-	-	479	-	**21,890**
Consolidated total assets	29,206	11,914	-	98,756	29,002	**168,878**
Liabilities						
Segment liabilities	-	-	-	-	-	**-**
Financial liabilities	(1,143)	-	-	(4,326)	-	**(5,469)**
Consolidated total liabilities	(1,143)	-	-	(4,326)	-	**(5,469)**

Notes to Financial Statements
for the year ended 30 June 2013, continued

2 Segmental analysis – Group (continued)

By geographical area

2013	**BVI/Parent $ 000's**	**Americas $ 000's**	**Australasia $ 000's**	**Africa $ 000's**	**Europe $ 000's**	**Total $ 000's**
Result						
Operating profit	(4,985)	(3,914)	18,827	(285)	-	**9,643**
Share of Joint Venture results	-	(150)	-	-	-	**(150)**
Share of associates results	-	(236)	-	(341)	(2,267)	**(2,844)**
Finance revenue	665	-	-	-	-	**665**
Profit before taxation	(4,320)	(4,300)	18,827	(626)	(2,267)	**7,314**
Other information						
Depreciation and amortisation	8	-	-	-	-	**8**
Capital additions	12	-	-	22,178	-	**22,190**
Assets						
Segment assets	2,826	27,173	-	48,955	30,483	**109,437**
Financial assets	4,085	-	-	422	-	**4,507**
Cash	41,576	-	-	441	-	**42,017**
Consolidated total assets	48,487	27,173	-	49,818	30,483	**155,961**
Liabilities						
Segment liabilities	-	-	-	-	-	**-**
Financial liabilities	(445)	-	(1,765)	(3,107)	-	**(5,317)**
Consolidated total liabilities	(445)	-	(1,765)	(3,107)	-	**(5,317)**

3 Operating (loss)/profit

	2013 Group	**2013 Company**	2012 Group	2012 Company
Operating (loss)/profit is arrived at after charging:	**$ 000's**	**$ 000's**	$ 000's	$ 000's
Auditors' remuneration – audit	**186**	**92**	91	21
Auditors' remuneration – non audit services	**4**	**-**	-	-
Directors' emoluments – fees and salaries	**931**	**931**	2,749	2,749
Directors' emoluments – share based payments	**2,091**	**2,091**	776	776
Foreign exchange (loss)/gain	**(21)**	**(26)**	8,367	4,694
Depreciation	**11**	**11**	8	8

Notes to Financial Statements for the year ended 30 June 2013, continued

4 Employee information – Group

Staff Costs comprised:	2013 $ 000's	2012 $ 000's
Wages and salaries (#)	**459**	287

(#) Wages and salaries incurred within the Nimini Holdings Limited "group" are capitalised as Mining exploration & evaluation costs in accordance with group policies.

Average Number of employees (excluding Directors)	Number	Number
Exploration	**35**	27
Administration	**4**	2
	39	29

5 Investment income

	2013 Group $ 000's	2013 Company $ 000's	2012 Group $ 000's	2012 Company $ 000's
Dividend income on investment	**45**	**-**	254	-
Dividend income from Group companies	-	**-**	-	133,598
Commission earned on options	**345**	**-**	-	-
	390	**-**	254	133,598

6 Other income

	2013 Group $ 000's	2013 Company $ 000's	2012 Group $ 000's	2012 Company $ 000's
Consultancy fees	**372**	**372**	-	-
Management fees	**-**	**175**	-	240
	372	**547**	-	240

7 Finance revenue

	2013 Group $ 000's	2013 Company $ 000's	2012 Group $ 000's	2012 Company $ 000's
Loan interest receivable	**166**	**166**	31	31
Bank interest receivable	**424**	**424**	634	634
	590	**590**	665	665

Notes to Financial Statements
for the year ended 30 June 2013, continued

8 Directors' emoluments

Group

	2013 **$ 000's**	2012 $ 000's
Directors' remuneration	**3,022**	3,525

2013	**Directors Fees $ 000's**	**Consultancy Fees $ 000's**	**Share Options Issued $ 000's**	**Total $ 000's**
Executive Directors				
Stephen Dattels	310	-	631	**941**
Neil Herbert (#)	170	155	631	**956**
Ian Burns	75	-	142	**217**
Michael Tang (#)	1	79	55	**135**
Cheah Kian Meng (#)	1	-	-	**1**
Non-Executive Directors				
Guy Elliott	39	-	158	**197**
Bryan Smith (#)	31	-	158	**189**
James Mellon (#)	35	-	158	**193**
Ian Stalker (#)	35	-	158	**193**
	697	**234**	**2,091**	**3,022**

2012	**Directors Fees $ 000's**	**Consultancy Fees $ 000's**	**Share Options Issued $ 000's**	**Total $ 000's**
Executive Directors				
Stephen Dattels	1,217	-	253	**1,470**
Neil Herbert	1,217	-	253	**1,470**
Ian Burns	103	-	18	**121**
Non-Executive Directors				
Guy Elliott	53	-	63	**116**
Bryan Smith	53	-	63	**116**
James Mellon	53	-	63	**116**
Ian Stalker	53	-	63	**116**
	2,749	**-**	**776**	**3,525**

(#):These Directors were not employed throughout the whole financial year.

No pension benefits are provided for any Director.

Notes to Financial Statements for the year ended 30 June 2013, continued

9 Taxation – Group

Analysis of charge in year	**2013 $ 000's**	2012 $ 000's
Tax on ordinary activities	**-**	160

Tax on ordinary activities in 2012 arose on the disposal of an investment under the jurisdiction of the Australian Tax Authority.

As an International Business Group, the British Virgin Islands imposes no corporate taxes or capital gains tax. However the Group may be liable for taxes in the jurisdictions of the underlying investments.

No deferred tax asset, or any deferred tax liability has currently been recognised during the year under review. The Group is currently liaising with authorities in Sierra Leone to formalise and agree tax losses accrued to date. Once quantified and agreed, this in turn will crystallize a deferred tax asset which will be accounted for in the next financial statements.

10 Dividends

No dividends were paid in the year to 30 June 2013. (2012: US$71,465,719 (2 pence per share)).

11 Earnings per share

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

	2013	2012
Net (loss)/profit after taxation ($000's)	**(16,178)**	7,154
Weighted average number of Ordinary Shares used in calculating basic earnings per share (millions)	**249.13**	2,294.09
Basic (loss) earnings per share (expressed in US cents)	**(6.49)**	0.31
Weighted average number of Ordinary Shares used in calculating fully diluted earnings per share (millions)	**255.75**	2,383.63
Diluted (loss) earnings per share (expressed in US cents)	**(6.33)**	0.30

Notes to Financial Statements
for the year ended 30 June 2013, continued

12 Intangible assets – Goodwill

Group	**2013 $ 000's**	2012 $ 000's
Cost		
At beginning of the year	**2,815**	-
Additions (#)	**-**	2,815
Impairment charge	**-**	-
As at 30 June	**2,815**	2,815

At 30 June 2013, the Directors have carried out an impairment review and have concluded that no write down is required for goodwill. The Directors are of the opinion the carrying value of the goodwill is stated at a fair value, which will be subject to ongoing review as the Group's strategy develops in the future.

(#) Additions in the prior year are the result of the business combination on acquisition of Nimini Holdings Limited, as per Note 25.

Notes to Financial Statements for the year ended 30 June 2013, continued

13 Tangible assets – Property, Plant & Equipment

	Group Mining exploration & evaluation costs $ 000's	Group Furniture, fittings & equipment $ 000's	Total $ 000's	Company Furniture, fittings & equipment $ 000's
Cost				
As at 1 July 2011	-	20	20	20
Additions	6,989	12	7,001	12
Additions on acquisition of subsidiary	15,189	-	15,189	-
As at 30 June 2012	**22,178**	**32**	**22,210**	**32**
As at 1 July 2012	22,178	32	22,210	32
Additions	22,012	-	22,012	-
Disposals	-	(32)	(32)	(32)
As at 30 June 2013	**44,190**	**-**	**44,190**	**-**
Depreciation				
As at 1 July 2011	-	13	13	13
Depreciation charge for the year	-	8	8	8
As at 30 June 2012	**-**	**21**	**21**	**21**
As at 1 July 2012	-	21	21	21
Depreciation charge for the year	-	11	11	11
Depreciation on Disposal	-	(32)	(32)	(32)
As at 30 June 2013	**-**	**-**	**-**	**-**
Net Book Value				
As at 30 June 2013	**44,190**	**-**	**44,190**	**-**
As at 30 June 2012	22,178	11	22,189	11

Impairment Review

At 30 June 2013 the Directors have carried out an impairment review and concluded no impairment provision is currently required.

Notes to Financial Statements
for the year ended 30 June 2013, continued

14 Investment in subsidiaries

Shares in Group undertakings **Company**	**2013** **$ 000's**	2012 $ 000's
Cost		
At beginning of the year	-	21,328
Additions	-	-
Impairment of investment in subsidiaries	-	(21,328)
As at 30 June	-	-

During the year ended 30 June 2012, the Directors re-assessed the carrying values of the Group investments. As a result of an internal group re-organisation of investments, it was considered appropriate to impair at parent level one of the Company's subsidiary investments, Polo Australasia Limited due to a curtailment of activities and reduce the carrying value thereof to US$nil.

As at 30 June 2013, the Directors are of the opinion that the carrying value of the subsidiaries, represents at least their fair and recoverable values.

The parent company of the Group holds more than 50% of the share capital of the following companies as at 30th June 2013:

Company	**Country of Registration**	**Proportion held**	**Functional Currency**	**Nature of business**
Direct				
Polo Australasia Limited	BVI	100%	AU$	Dormant
Polo Bangladesh Limited	BVI	100%	GB£	Dormant Company
Polo Investments Limited	Guernsey	100%	US$	Investment Company
Polo Gold Limited	BVI	100%	US$	Holding Company
Polo Direction Limited	BVI	100%	US$	Holding Company
Polo Resources Holdings Limited	BVI	100%	US$	Holding Company
Andina Gold Corporation	BVI	62%	US$	Holding Company
Indirect				
Via Polo Gold Limited:				
Nimini Holdings Limited	BVI	90%	US$	Holding Company
Via Nimini Holdings Limited:				
Nimini Mining Limited	Sierra Leone	90%	US$	Mining Company
Axmin SL Limited	Sierra Leone	90%	US$	Mining Company

Notes to Financial Statements
for the year ended 30 June 2013, continued

15 Investment in joint ventures

	2013 **$ 000's**	2012 $ 000's
Group & Company		
At beginning of the year	-	3,936
Impairment charge	-	(2,214)
Share buyback	-	(775)
Share of Joint Venture's results	-	(150)
Transfer of Joint Venture to available for-sale investments	-	(797)
As at 30 June	-	-

Andina Gold Corporation

The Joint Venture in Colombian gold explorer Andina Gold Corporation was terminated in the year ending 30 June 2012, following unacceptable delays in the registration of licences, resulting in a loss of US$2.2 million. There remains a secured recoverable value of approximately US$800,000, whereby the Company had expected to receive 50% within 12 months, and the remainder in the following year. The Company now holds 62% of Andina resulting from a settlement agreement with its former joint venture partner. The amount of US$800,000 remains outstanding as at 30 June 2013, and the Company is commencing action to recover the outstanding balance due through legal channels as at the date of this report.

As a result of the above the recoverable investment value was re-allocated to available for sale investments, within current and non-current assets in the prior year.

Notes to Financial Statements
for the year ended 30 June 2013, continued

16 Interest in associates

	2013 $ 000's	2012 $ 000's
Group		
At beginning of the year	**56,106**	161,899
Investments in associates – equity purchases	**15,720**	-
Transfer from available-for-sale investments	**-**	25,964
Investments in associates – equity disposals	**-**	(120,068)
Investments in associates – convertible loan notes (repaid)	**-**	(4,659)
Share of associates' loss for the year	**(3,456)**	(2,844)
Impairment of associate	**-**	(3,914)
Currency translation differences	**-**	(272)
As at 30 June	**68,370**	56,106

The breakdown of the carrying values and fair values at 30 June 2013 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) – interest in equity shares	**29,002**	**3,993**
Signet Petroleum Limited (unlisted)	**39,368**	**39,368**
	68,370	**43,361**

Subsequent to the reporting date the market value of the investment in associates had increased marginally, to US$44,294,300 as at 17 December 2013.

Details of the Group associates at 30 June 2013 are as follows:

Name	**Place of Incorporation**	**Proportion held**	**Date associate interest acquired**	**Reporting Date of associate**	**Principal activities**
GCM Resources Plc	UK	29.76%	01/02/08	30/06/13	Coal exploration
Signet Petroleum Limited	BVI	48.32%	16/05/12	30/06/13	Oil & Gas exploration

Impairment and disposal of MinFer Holdings Limited

Following disappointing results from the exploration work on the main project, the Group considered it appropriate to reduce the carrying value to US$nil in the year ended 30 June 2012 with an impairment charge of US$3,914,000.

Subsequent to the impairment, the Group disposed of its entire 100% holding in MinFer Holdings Limited for a nominal consideration of US$1, plus contingent future consideration, which the Group currently assesses as unlikely to materialise.

Disposal of Caledon Resources Plc

In the 6 months to 31 December 2011, the Group completed the sale of its remaining holding in Caledon Resources Plc, resulting in a net gain on the investment of US$18.83 million.

Notes to Financial Statements
for the year ended 30 June 2013, continued

17 Available-for-sale investments

	2013		2012	
	Group	**Company**	Group	Company
Listed & Unlisted Investments	**$'000's**	**$'000's**	$'000's	$'000's
At beginning of the year	**28,327**	**2,734**	21,740	-
Acquired during the year	**6,942**	**-**	264,565	3.456
Disposals during the year	**(11,652)**	**(1,805)**	(228,540)	-
Realised (losses) on disposals	**(7,542)**	**(1,651)**	(5,944)	-
Transfer to associates	**-**	**-**	(25,964)	-
Transfer from joint venture	**-**	**-**	797	797
Transfer from equity reserve	**7,471**	**1,519**	240	-
Currency translation differences	**(683)**	**-**	6,943	-
Revaluation of unlisted investment	**4,313**	**-**	-	-
Movement in market value	**(421)**	**-**	(5,510)	(1,519)
At 30 June	**26,755**	**797**	28,327	2,734
The available-for-sale investments splits are as below;				
Non-current assets – listed	**-**	**-**	1,154	-
Non-current assets – unlisted	**23,728**	**-**	16,364	398
Current assets – listed	**2,230**	**-**	10,410	1,937
Current assets – unlisted	**797**	**797**	399	399
	26,755	**797**	28,327	2,734

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

18 Trade and other receivables

	2013		2012	
	Group	**Company**	Group	Company
	$'000's	**$'000's**	$'000's	$'000's
Current trade and other receivables				
Other debtors	**29**	**29**	319	-
Prepayments	**140**	**50**	1,657	1,554
Accrued income	**-**	**175**	31	31
Total	**169**	**254**	2,007	1,585
Non-Current trade and other receivables				
Loans due from subsidiaries	**-**	**151,946**	-	118,200
Other loans	**4,689**	**4,689**	2,500	2,500
	4,689	**156,635**	2,500	120,700

Loans outstanding and due from subsidiaries, are interest free and repayable on demand.

Notes to Financial Statements
for the year ended 30 June 2013, continued

19 Trade and other payables

	2013		2012	
	Group	**Company**	Group	Company
	$'000's	**$'000's**	$'000's	$'000's
Current trade and other payables:				
Trade creditors	**1,786**	**113**	3,188	81
Other loan	**2,653**	**-**	-	-
Taxation liabilities	**-**	**-**	1,807	42
Accruals	**288**	**288**	322	322
Provision for loss on put option	**742**	**-**	-	-
	5,469	**401**	5,317	445

20 Share capital

Authorised	**$'000's**
Unlimited Ordinary Shares of no par value	-

Called up, allotted, issued and fully paid	**Number of shares**	**Nominal value $000's**
As at 1 July 2011 and as at 30 June 2012	2,294,086,098	-
2 January 2013 shares issued for non-cash consideration, in a share exchange for Signet Petroleum Limited shares @ 3.91pence per share	402,142,840	-
As at 6 February 2013	2,696,228,938	-
As approved at the AGM of 30 January 2013, the Company's shares were consolidated on the basis for every 10 Ordinary Shares held, one new no par value Ordinary Share was issued. The new shares carried the same rights as the previous Ordinary Shares held.		
Resultant new shares after consolidation – 6 February 2013	269,622,745	-
No further share issues in the period.		
As at 30 June 2013	**269,622,745**	**-**

There were 402,142,840 shares issued during the year ended 30 June 2013 (2012: no shares issued). There were no shares cancelled during the year ended 30 June 2013 (2012: no shares cancelled).

Notes to Financial Statements
for the year ended 30 June 2013, continued

20 Share capital (continued)

Total share options in issue

During the year ended 30 June 2013, the Company granted 21,500,000 options over Ordinary Shares. (2012: 88.5million)

As at 30 June 2013 the unexercised options in issue were;

Exercise Price	Expiry Date	Options in Issue 30 June 2013
40p	24 January 2016	8,850,000
35p	24 January 2016	6,650,000
25p	13 May 2018	6,000,000
		21,500,000

No options lapsed and no options were exercised during the year to 30 June 2013 (2012: no options exercised). 155,000,000 options were cancelled during the year ended 30 June 2013 (2011: 1,000,000 options).

Total warrants in issue

During the year ended 30 June 2013, the Company granted no warrants to subscribe for Ordinary Shares. (2012: Nil). No warrants were exercised during the year to 30 June 2013 (2012: Nil), and no warrants lapsed during the year ended 30 June 2013. (2012: Nil).

As at 30 June 2013 no warrants were in issue (2012: Nil).

Notes to Financial Statements
for the year ended 30 June 2013, continued

21 Share Based Payments

Under IFRS 2 'Share Based Payments', the Company determines the fair value of options issued to Directors and Employees as remuneration and Consultants as consideration and recognises the amount as an expense in the income statement with a corresponding increase in equity.

The following options were issued and charged during the year ended 30 June 2013:

Name	Date Granted	Date Vested	Number	Exercise Price (pence)	Expiry Date	Fair Value at Grant Date (pence)
Stephen Dattels	25/01/2013	**25/01/2013**	2,000,000 2,000,000	40p 35p	24/01/2016	6.85 7.78
Neil Herbert	25/01/2013	**25/01/2013**	2,000,000 2,000,000	40p 35p	24/01/2016	6.85 7.78
Ian Burns	25/01/2013	**25/01/2013**	1,000,000	40p	24/01/2016	6.85
Guy Elliott	25/01/2013	**25/01/2013**	500,000 500,000	40p 35p	24/01/2016	6.85 7.78
Bryan Smith	25/01/2013	**25/01/2013**	500,000 500,000	40p 35p	24/01/2016	6.85 7.78
James Mellon	25/01/2013	**25/01/2013**	500,000 500,000	40p 35p	24/01/2016	6.85 7.78
Ian Stalker	25/01/2013	**25/01/2013**	500,000 500,000	40p 35p	24/01/2016	6.85 7.78
Consultants	25/01/2013	**25/01/2013**	1,850,000 650,000	40p 35p	24/01/2016	6.85 7.78
Michael Tang	14/05/2013	**See 1 below**	6,000,000	25p	13/05/2018	14.50
Totals			**21,500,000**			

1. The above share options shall vest in equal instalments annually on the anniversary of the grant date over a 3 year period. The options are exercisable at any time after vesting during the grantees' period as an eligible option holder, and must be exercised no later than 24 months after the date on which each tranche of options respectively vested, after which the relevant tranche of options will lapse. Under certain performance conditions, any unvested options will vest immediately on the performance conditions being met.

Notes to Financial Statements
for the year ended 30 June 2013, continued

21 Share Based Payments (continued)

The fair value of the options granted and vested during the year ended 30 June 2013 amounted to US$2.467 million. The Company also cancelled options in the year, and the fair value of these cancelled options was US$1.948 million, transferred to retained earnings. The assessed fair value at grant date is determined using the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following table lists the inputs to the models used for the year ended 30 June 2013:

	14 May 2013 issue	**25 January 2013 issue**
Dividend Yield (%)	-	-
Expected Volatility (%)	60.0	60.0
Risk-free interest rate (%)	2.20	2.20
Share price at grant date (£)	0.2675	0.2475

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

22 Analysis of changes in net funds

	2013		2012	
	Group $ 000's	**Company $ 000's**	Group $ 000's	Company $ 000's
Balance at beginning of year	**42,017**	**41,576**	45,796	45,796
Net change during the year	**(20,127)**	**(20,165)**	(3,779)	(4,220)
Balance at the end of the year	**21,890**	**21,411**	42,017	41,576

23 Financial instruments

The Group uses financial instruments comprising cash, liquid resources and debtors/creditors that arise from its operations. The Group holds cash as a liquid resource to fund the obligations of the Group. The Group's cash balances are held in Sterling, US Dollars, Canadian Dollars and in Australian Dollars. The Group's strategy for managing cash is to maintain a mix of currencies and maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and monthly review of expenditure forecasts.

The Company has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk; however it does review its currency exposures on an ad hoc basis. Currency exposures relating to monetary assets held by foreign operations are included within the foreign exchange reserve in the Group Balance Sheet.

The Group carefully considers on an ongoing basis the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations to commercial exploitation but controls over expenditure are carefully managed.

Notes to Financial Statements
for the year ended 30 June 2013, continued

23 Financial instruments (continued)

The net fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements. The currency and interest rate profile of the financial assets is as follows:

Cash and short term deposits	**2013**		2012	
	Group $ 000's	**Company $ 000's**	Group $ 000's	Company $ 000's
Sterling	**1,468**	**1,468**	14,247	14,247
US Dollars	**17,805**	**17,326**	13,421	12,980
Australian Dollars	**397**	**397**	13,361	13,361
Canadian Dollars	**2,220**	**2,220**	988	988
At 30 June	**21,890**	**21,411**	42,017	41,576

The financial assets comprise cash balances in current and interest earning bank accounts at call and three month deposit. The financial assets earn a range of interest rates throughout the period depending on rates available and ongoing cash commitments at any one point in time.

Currency risk

The Group has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk. It does however review its currency exposure on a regular basis. All of the Group's active companies, including parent and subsidiaries all operate with a functional currency of US Dollar, and thus the majority of cash balances are now held in that currency.

Rates of exchange to US$1 used in the financial statements were as follows:

	As at 30 June 2013	**Average for the year to 30 June 2013**	**As at 30 June 2012**	**Average for the year to 30 June 2012**
Australian Dollar (A$)	0.9841	0.9697	0.9841	0.9697

Equity price risk

The Group held listed and unlisted investments classified as available for sale during the year. The listed equity investments were listed on various major stock exchanges around the world. The sensitivity analysis in respect of listed equity investments, was based on the assumption that if the respective market increased/decreased by 10%, the equity share price of the relevant companies invested therein would move accordingly to the correlation with the market it is listed on.

Changes in market index %	**Effect on profit after tax $ 000's**	**Effect on equity $ 000's**
10%	-	215
(10%)	-	(230)

Notes to Financial Statements
for the year ended 30 June 2013, continued

24 Commitments & Contingent Liabilities

As at 30 June 2013, the Company had entered into the following material commitments:

Exploration commitments

As at 30 June 2013, Nimini Holdings Limited (Nimini") or its directly related subsidiary companies had entered into the following material commitments:

- Under the terms of the mining license granted on 8 November, 2012, Nimini Mining Limited is required to pay an annual mining license fee of US$500,000.
- Nimini Mining Limited is required to pay EPA license fee to an order of US$200,000 approximately under the terms of Environmental Impact Assessment License which may vary every year depending on the activities carried out during the year.
- Nimini Mining Limited is required to pay surface rental fee of an order of approximately US$45,000 every year to Nimikoro and Nimiyana chiefdoms.
- Under the terms of the mining license granted on 8 November, 2012 Nimini Mining Limited is required to pay approximately US$100,000 every year under Community Development Action Programme.
- Under the terms of Matotoka license no. EL.78/2011 annual license fee of approximately US$9,000 is required to be paid by Matotoka Mining Limited.

Investment liabilities

The Group holds a share option deed in respect of 2,225,000 subscription shares in Signet Petroleum Limited, at subscription commitment of US$2,781,250. The option deed has an expiry of 31 December 2013, and the Group expects to exercise the option agreement by this date.

Notes to Financial Statements
for the year ended 30 June 2013, continued

25 Business combinations

Acquisition of Nimini Holdings Limited

On 30 September 2011, Polo Gold Limited acquired a total of 51% of Nimini Holdings Limited, a company based in the BVI with subsidiaries in Sierra Leone for US$7,500,000 and gained control thereof. The resultant goodwill of the acquisition is US$1.037million, and this has been capitalised in the current year. The fair value of identifiable assets and liabilities of Nimini as at the date of acquisition are:

	Book value $'000	Fair value adjustment $'000	Fair value $'000
Cash and cash equivalents	2	-	2
Property, plant & equipment	15,189	-	15,189
	15,191	-	15,191
Other creditors	(2,518)	-	(2,518)
	(2,518)	-	(2,518)
Fair value of net assets			12,673
Non-controlling interest			(6,210)
Goodwill			1,037
			7,500
Total Consideration:			
Cash paid			7,500
			7,500
The cash outflow on acquisition was as follows;			
Net cash acquired with subsidiary			2
Cash paid			(7,500)
Net cash outflow			(7,498)

Purchase of minority interest in Nimini Holdings Limited

On 13 December 2011, Polo agreed to acquire the remaining 49% interest in Nimini for a consideration of US$9 million cash payment. The purchase of the remaining shares in Nimini allowed the Group to hold a 100% interest in Nimini. The carrying amount of the non-controlling interests in Nimini on the date of acquisition was US$7.22milion. The Group de-recognised non-controlling interests of US$7.22million. The effect of changes in ownership interest in Nimini on the equity attributable to owners of the Company during the year is summarised as follows;

	$'000s
Carrying amount of non-controlling interests acquired	7,222
Consideration paid to non-controlling interests	(9,000)
Excess of consideration paid recognised and capitalised in parent's entity	(1,778)

Deemed disposal of 10% interest in Nimini without loss of control

On 26 March 2012, Plinian Guernsey Limited subscribed for 100 Ordinary Shares in Nimini , representing 10% of the enlarged share capital of the Nimini Group. Plinian paid US$2.5million for the 10% shareholding in Nimini. This results in an increase in non-controlling interest of US$1.49million.

Notes to Financial Statements for the year ended 30 June 2013, continued

26 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between other related parties are discussed below.

On 1 February 2012, Polo entered into a Service Agreement with Smoke Rise Holdings Limited, a company in respect of which Mr. I. Burns, Finance Director of Polo Resources, is an interested party. Expenditure of US$327,542 was incurred to 30 June 2013 (2012: US$166,616) for the provision of administration and support services and US$38,351 (2012: US$98,437) in respect of the recharge of direct related expenses at cost.

During the year ended 30 June 2013, Ninimi Holdings Limited (Nimini) received a loan from Plinian Guernsey Limited (Plinian), whom own 10% of the ordinary share capital of Nimini. The loan is non interest bearing and was advanced over the course of the year in respect of Plinian's contribution to all project expenditure during the period. The outstanding balance due at 30 June 2013 from Nimini to Plinian was $2,653,000.

Remuneration of Key Management Personnel

The remuneration of the Directors, and other key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures.

	2013	2012
	$ 000's	$ 000's
Short-term employee benefits	**931**	2,749
Share-based payments	**2,091**	882
	3,022	3,631

27 Post balance sheet events

On 29 August 2013, the Group participated in a placing by GCM Resources Plc ("GCM"), and acquired 2,272,727 Ordinary Shares in GCM at a price of 19.8 pence per share, a total cost of £450,000.

Warrants to subscribe for 3,036,605 shares in Ironstone Resources Ltd at CA$1.9759 were allowed to lapse at 30th September 2013.