

5 September 2011



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

Unaudited Preliminary Results for the twelve months ended 30 June 2011

Polo Resources Limited (AIM: POL, TSX: POL) today announces unaudited preliminary results for the 12 months ended 30 June 2011.

Financial and Operational Highlights

- Cash balance of US\$37.5 million at 31 August 2011 (30 June 2010: US\$37.8 million).
- Net asset value per share of GBP 6.56 pence at 31 August 2011.
- Net profit for the year ended 30 June 2011 of US\$65.2 million (30 June 2010: US\$28.8 million).
- Polo completed the sale of its stake in Extract Resources Limited:
 - Polo completed the disposal of its uranium interests, including Extract Resources, for US\$142 million and realised a net gain on disposal of US\$62.7 million.
 - The Board utilised part of the proceeds of the disposal to fund a special dividend to shareholders of three pence per share for a total of US\$113.9 million.
- US\$7.8 million was devoted to the share buy-back programme and a total of 168.4 million shares were cancelled from the Company's share capital during the period.
- On 12 October 2010, Polo received the US\$20 million deferred cash consideration from Winsway Coking Coal Holdings Ltd to conclude the disposal of Polo's 50 per cent interest in the Peabody-Polo Resources Mongolian coal joint venture.
- Interest in GCM Resources plc ("GCM") valued at US\$25.9 million at 31 August 2011. Polo holds 29.82 per cent of the company.
- Subsequent to the financial year end, the interest in Caledon Resources plc ("Caledon") is being realised:
 - Guangdong Rising (Australia) Pty Ltd ("GRAM") confirmed acquisition of Caledon in an all cash offer of 112 pence per share.

- Polo held an interest of approximately 29.8 per cent in the issued share capital of Caledon in addition to £2.5 million of Caledon's 8.5% unsecured Convertible Loan Notes issued in 2010.
- Polo sold 8.8 million shares for £9.75 million following announcement of the bid. Polo will receive total gross proceeds on the disposal of its remaining interest of approximately £90.15 million.
- The Board of Polo intends to utilise part of the proceeds to fund a special dividend to shareholders of two pence per share, upon completion of the sale of Caledon and receipt of funds.

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

“The proceeds from the realisation of Extract (Uranium) have been applied to implement a share buy-back programme and fund the payment of a substantial special dividend in August 2010. The proceeds have also funded the acquisition of interests in new projects across a range of minerals. The proceeds from the realisation of Caledon (Coal) will be utilised to implement a further substantial dividend and pursue new opportunities.

We look forward to another exciting year with a range of projects in coal, iron and gold, with new opportunities being continually reviewed. The Company's strong cash position allows the board to evaluate new projects, both listed and private, with the view to making additional investments that fit our investment criteria.”

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About the Company

Polo Resources is a natural resources investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth

prospects. The Company will primarily invest in companies with producing assets and/or resources and reserves that have been verified under internationally recognised reporting standards. For complete details on Polo Resources: www.poloresources.com.

CAUTIONARY STATEMENT

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

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

Update on Investments

Caledon Resources plc (AIM: CDN)

Polo holds an interest of approximately 26.64 per cent. in the issued share capital of Caledon. In addition to the aforesaid interest, Polo holds £2,500,000 of Caledon's 8.5 per cent. unsecured convertible loan notes issued in 2010.

Guangdon Rising (Australia) Pty Limited ("**GRAM**") has made an offer to Caledon to acquire 100 per cent. of the share capital of Caledon to be effected by a scheme of arrangement under the UK Companies Act 2006. The scheme of arrangement has been sanctioned by the High Court of Justice in England and Wales and an announcement in relation to the same was released by Caledon on 15 August 2011. The completion of the proposed acquisition of Caledon (which is expected to be completed by mid-September 2011) at the announced price of 112 pence per share, will result in the Company receiving approximately £90.15 million gross (equivalent to approximately 3.93 pence per issued Polo shares).

Dividend of two pence per share

The Company announced on 16 August 2011 that the Board has proposed a dividend of two pence per Ordinary Share (gross). Following receipt of funds from the Caledon sale a further announcement will be made detailing the timing of the special dividend.

GCM Resources plc (AIM: GCM)

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

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

GCM's activities continue to be focused on ensuring the key decision makers have a thorough understanding of modern large scale coal mining and the benefits of the project. GCM management accompanied the Bangladesh Parliamentary Standing Committee on Power, Energy and Mineral Resources on a visit to existing open pit coal mines and coal fired power stations in Germany. The Committee then recommended that the country moves to extraction of its coal reserves using open cut mining methods. GCM and the Government of Bangladesh are continuing discussions in relation to the detail of the Project and its implementation, including the effective management of social and environmental issues. While there is uncertainty as to the timing of approval, GCM is ready to move the Project forward once approval is received.

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

Mozambi Coal Limited (ASX: MOZ)

Mozambi Coal Limited ("Mozambi"), a coal exploration company focused on the exploration and development of its tenements in the Zambeze Coal Basin in Mozambique has three high value mineral exploration projects spanning 609 km² in the Zambeze Coal Basin in the Tete Province of Mozambique. The Zambeze Coal Basin is an emerging and highly prospective coal region that is within economic reach of the East African coast. Globally significant resource companies have undertaken coal exploration and development projects directly adjacent and nearby to Mozambi Coal's licenses, including Rio Tinto, Vale, Jindal Steel and ENRC.

In April 2011, the company signed a drilling contract with Aguatererra Lda to conduct the initial drilling programme on the Tete West and Maturara licences. The initial programme is expected to comprise 3000 metres of HQ diamond core drilling (double shift), including 2000 metres at Tete West and 1000 metres at Maturara. Aguatererra Lda is the Mozambican subsidiary of the South African company Geosearch Inc, Africa's largest independent drilling contractor (part of the Sentula Mining Group of Companies).

The company commenced the initial drilling programme at the Tete West licence in early May 2011 after completion of ground preparation of the licence that included roadwork, drill pad preparation, establishment of a temporary campsite and securing the appropriate environmental permits.

The Tete West drilling programme is focused on an area of approximately 3 km² in the north east corner of the licence, where geological mapping has indicated potential for the coal-bearing Lower Karoo sedimentary package that hosts most of the expanding coal reserves in Mozambique.

By the end of June 2011, the company had completed three drillholes on the Tete West licence for a total of 1026 metres and selected samples have been sent to ALS Witlabs laboratories for appropriate test work. Results are pending.

New projects

On 14 July the company announced that it had entered into a Memorandum of Understanding ("MOU") with Xiluva Mineral Resources Limitada ("Xiluva") to acquire 80 per cent of exploration licence 2738L in the Tete Province, Mozambique.

Exploration licence 2738L is situated approximately 115 km to the west of the city of Tete within the Songo district and covers 224 km². The licence has potential for 25.8 km² of coal-bearing Lower Karoo sediments, and a Target Mineralisation of between 1.86 to 2.32 billion tonnes with a calorific value in the range from 4,500 to 5,500kcal /kg.*

Polo holds an approximate 18.08 per cent interest in Mozambi Coal Limited.

* This exploration target is conceptual in nature. There has been insufficient exploration to define a mineral resource under JORC guidelines and it is uncertain whether further exploration will result in the determination of a mineral resource. This conceptual target may or may not be outlined with future work, either in whole or in part.

Ironstone Resources Limited

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

The Clear Hills Project currently has a resource of 203 million tonnes of iron ore at a grade of 33 per cent iron designated under Canadian National Instrument 43-101 (NI 43-101). This resource estimate prepared by SRK Consultants (Vancouver, Cardiff) ("SRK"), was reported on 28 October 2010, and was based upon Ironstone's 2008 drilling programme on the Rambling Creek block of the Clear Hills deposit. Rambling Creek reported 140 million tonnes of indicated resource (33 per cent Iron, 0.21 per cent Vanadium Pentoxide) and 63 million tonnes of inferred resource (33 per cent Fe). SRK notes that the oolitic ironstone at Rambling Creek is laterally very extensive and that the mineral resources presented in the report only represent a small portion of the deposit.

Historic work (pre NI 43-101) in the 1950s estimated a resource of over one billion tonnes of iron ore at Clear Hills, providing a good opportunity for Ironstone to increase its NI 43-101 resource significantly through targeted drilling programmes. To that end, a winter drilling programme on the North Whitemud River block immediately south of Rambling Creek resulted in completion of 144 diamond core holes (12,000 metres total drilling). Close to 4,500 core samples were gathered and underwent analysis at an independent laboratory in Ontario, Canada from June-August 2011. The results of the laboratory analysis have subsequently been provided to SRK Consultants, and a second NI 43-101 report incorporating the information is anticipated in October 2011.

In addition to drilling, Ironstone opened a bulk sample pit in the southeast part of the Rambling Creek block and removed 10,000 tonnes of ore. This ore will be used for process pilot development that is presently ongoing in partnership with Hatch Engineering, a global consultancy with significant experience in pyro-technology. This work will continue into winter 2012 in advance of a pre-feasibility or feasibility study on the Clear Hills project. The project has a significant vanadium by-product component, and laboratory work to evaluate positive gold assays is ongoing, suggesting the potential for additional revenues from those commodities.

Polo holds an approximate 15.7 per cent interest in Ironstone.

MinFer Holdings Limited

The exploration for iron ore on MinFer Holding Limited's ("MinFer") Sento Sé Project in Bahia State is in progress with diamond drilling at the Dinossauro and Pedrão iron ore targets aiming to generate the required information to produce a final exploration report to be presented in November 2011 to the Departamento Nacional de Produção Mineral ("DNPM"), as well as to delineate its overall tonnage potential. The DNPM has already granted a three year extension to explore the leases where the Melancias iron ore targets are located. Six iron ore targets have been mapped and a drilling programme is under way to delineate the iron ore resource on each of the six targets. Assay results for the drilling at Melancias and Pedrão supports the preliminary surface sampling which indicated an average ore grade of 35 per cent iron ore, even though iron ore at higher grade is present on all targets. All core and rock samples were sent to the SGS/Lakefield lab in Belo Horizonte-MG.

The follow up exploration work on MinFer's Sento Sé Project in Bahia State, was conducted on a magnetic gravity anomaly coincident south of the Melancias iron ore target and discovered all the ingredients (regional sericitic alteration and tectonic breccia) usual in an iron oxide copper-gold ("IOCG") deposit environment (Olympic Dam style) including exposed copper mineralisation in late quartz veins at the Cumbre Copper target.

Two shallow bore holes conducted in the Coroa de Frade target intersected only highly hydrothermally altered rocks in the position where iron ore was expected. A refinement

interpretation of the geophysical data on the large gravity/mag anomaly, south of the Melancias iron ore target, delineated four zones with stronger gravity and coincident magnetic anomalies. These large gravity and magnetic anomalies were defined by a detailed airborne survey (150metre space lines) conducted by Fugro on behalf of MinFer and those anomalies might be reflecting a major concentration of iron oxide at depth. A detailed ground geophysical survey and deep exploratory drill holes on Cumbre and Coroa de Frade IOCG targets are planned over the next six months.

MinFer's Sento Sé Project is located in an underdeveloped mineral province where limited modern exploration had been conducted; there are a few exploration companies working in the region, exploring for iron ore and base metals.

Preliminary Metallurgical test works have been conducted at SGS/Lakefield in Canada on the high grade iron ore (50 per cent to 59 per cent Fe) from the Rio dos Bois iron ore project in the Tocantins State. The SEM and X-Ray Data showed that the iron oxides are approximately 60 per cent Hematite and 40 per cent Goethite and almost all of the phosphorous is partitioned in the Goethite from where it could be extracted by acid leaching. The next recommended step is to concentrate each type of ore into its most achievable iron content through flotation and then determine any market deficiencies prior to delineating the paths to solve them. The iron ore at Rio dos Bois is of a Clinton style with large areal distribution and high to medium phosphorous content with potential for more than two billion tonnes at a very low mining cost and favourable transport and mining logistics.

The first exploration work on MinFer's Iron Tower Project in Para State led to the conclusion that this project has limited potential for iron ore but a significant potential for Nickel sulfides deposits hosted in the pyritic horizon within the Rio Fresco formation like the Nickel deposit in Canada. Additional regional exploration is planned prior to defining the adequate systematic exploration technique to be used in this project to delineate a drill target.

Polo holds an approximate 30 per cent interest in MinFer.

Competent Person's Statement

The information in this section relates to Exploration Results and is based on information compiled by Mr. Antonio E.M. de Castro who is a Member of the Australasian Institute of Mining and Metallurgy and of CREA (Conselho Regional de Engenharia e Agronomia). Mr. Castro is an Independent Consultant and has sufficient experience which is relevant to the style of mineralization and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Castro consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Nimini Gold Corporation

On 1 August 2011 Polo announced that it has entered into an agreement with TSX listed Axmin Inc. ("Axmin") whereby Polo will acquire a 51 per cent interest in a new company which will own Axmin's Sierra Leone gold assets (Nimini East and West and Matotoka Exploration Licences), for US\$7.5 million. Axmin will retain a 49 per cent interest in the new company. Completion of the investment is subject to technical and legal due diligence which is currently being undertaken by Polo.

The prospect area is situated in the central-west Kono region of Sierra Leone, some 330 km east of the capital, Freetown. The principal asset is the Komahun Gold Prospect ("Komahun") which is located within the Nimini Hills West Licence. Komahun has an Indicated Mineral Resource of 370,000 tonnes grading 9.1 g/t Au (110,000 ounces) and an Inferred Mineral Resource of 3.1 million tonnes grading 4.3 g/t Au (435,000 ounces).

The in-situ mineral resource, estimated at a plus 1.8 g/t gold cut off, was undertaken by SRK using robust three dimensional interpretations with grade interpolation carried out using Ordinary Kriging. The cut-off grade reflects modelling parameters suitable for underground mining. The remaining licences in Sierra Leone, being Nimini Hills East and Matotoka are both at an early stage of exploration.

In March 2009, Axmin announced the results of a Preliminary Economic Assessment and Scoping Study (the "Scoping Study") for Komahun. The Scoping Study demonstrated that Komahun has potential for development as an underground gold mine with target production levels of about 50,000 ounces per annum, with a present estimated six year mine life. In addition, economics for the prospect could be substantially enhanced by future exploration success that is targeting the immediate vertical extensions to the ore body and which remain open beyond the currently investigated depth of 350 metres beneath surface.

In December 2010, the Matotoka Exploration Licence was renewed for a period of two years, until December 2012. Additionally, in April 2011, the Nimini Hills East and West Exploration Licences were granted for a two year period, until March 2013.

Andina Gold Corporation

In May 2011, the Company completed an investment of approximately US\$4 million in the gold exploration company Andina Gold Corporation ("Andina"). Polo subscribed for 15,898,784 new ordinary shares in Andina at a price of US\$0.244. Andina is interested in applications for 29 gold concessions in the San Bolivar area of Columbia which make up the San Bolivar Gold Project.

The Southern Bolívar area of Colombia is the third most important gold producing region in the country, after Antioquia and Choco. The Southern Bolivar region is known as a traditional mining district. Colombia produced approximately 47.8 tonnes of gold during 2009, a figure that is expected to rise in future years.

Polo holds an approximate 31.8 per cent interest in Andina.

Unaudited Preliminary Results for the twelve months ended 30 June 2011

Group Statement of Comprehensive Income for the year ended 30 June 2011

	Year ended 30 June 2011 \$ 000's	Year ended 30 June 2010 \$ 000's
Administrative expenses	(7,298)	(7,919)
Share options expensed	(430)	(2,199)
Currency exchange (losses)	(4,919)	(1,415)
Reversal of impairment of investment in subsidiaries	-	7,567
Convertible loan written off	(841)	-
Investment income	2,723	774
Gains on sale of investments	72,950	20,130
Group operating profit/(loss)	62,185	16,938
Share of Joint Venture results	-	(3,554)
Share of associates results	(2,054)	(3,983)
Other income	4,193	2,945
Finance revenue	2,600	130
Gain on Joint Venture disposal	-	19,049
Loan to Joint Venture written-off	-	(2,682)
Profit before taxation	66,924	28,843
Income tax expense	(1,719)	-
Retained profit for the period attributable to members of the parent Company	65,205	28,843
Other comprehensive income		
(Loss)/gain on revaluation of available for sale investments	(1,689)	2,628
Currency translation differences	45,144	(31,057)
Other comprehensive income for the year net of taxation	43,455	(28,429)
Total comprehensive income for the year attributable to members of the parent company	108,660	414
Earnings per share (US cents)		
Basic	2.75	1.23
Diluted	2.71	1.16

Group Balance Sheet as at 30 June 2011

	30 June 2011		30 June 2010	
	\$ 000's	\$ 000's	\$ 000's	\$ 000's
ASSETS				
Non-current assets				
Tangible assets	7		4	
Interest in Joint Venture	3,936		-	
Interest in associates	37,172		120,934	
Available for sale investments	16,202		-	
Total non-current assets		57,317		120,938
Current assets				
Interest in associates	124,727		-	
Trade and other receivables	428		22,686	
Available for sale investments	5,538		125,491	
Cash and cash equivalents	45,796		37,795	
Total current assets		176,489		185,972
TOTAL ASSETS		233,806		306,910
LIABILITIES				
Current liabilities				
Trade and other payables	(2,410)		(2,517)	
TOTAL LIABILITIES		(2,410)		(2,517)
NET ASSETS		231,396		304,393
EQUITY				
Equity contribution	285,491		275,109	
Retained earnings	(82,423)		(40,629)	
Available for sale investment reserve	(1,833)		53,012	
Foreign exchange reserve	29,561		10,226	
Share based payments reserve	600		6,675	
TOTAL EQUITY		231,396		304,393

Group Cash Flow Statement for the year ended 30 June 2011

	Year ended 30 June 2011 \$ 000's	Year ended 30 June 2010 \$ 000's
Cash flows from operating activities		
Operating profit	62,185	16,938
Decrease in trade and other receivables	2,258	1,874
(Decrease) in trade and other payables	(1,947)	(6,304)
Foreign exchange loss	4,919	1,415
Share options expensed	430	2,199
Convertible loan written-off	841	-
Reversal of impairment of investment in Mongolia	-	(7,567)
Gains on sale of available for sale investments	(72,950)	(20,130)
Depreciation & impairment	7	4
Net cash outflow from operating activities	(4,257)	(11,571)
Cash flows from investing activities		
Finance revenue	2,600	130
Net payments for investments in associates	(15,727)	(3,767)
Payments to acquire available for sale investments	(87,714)	(32,343)
Receipts on sale of available for sale investments	208,330	57,544
Payments to acquire tangible assets	(9)	(2)
Convertible loan advanced	(841)	-
Net cash inflow from investing activities	106,639	21,562
Acquisitions and disposals		
Payments to acquire Joint Venture	(3,936)	-
Payments to acquire subsidiaries	-	(2)
Receipts on sale of Joint Venture	20,000	15,000
Net cash inflow from acquisitions and disposals	16,064	14,998
Cash flows from financing activities		
Issue of ordinary share capital	6,830	-
Share issue costs	-	(234)
Cost of buy back of shares/warrants	(7,837)	(1,485)
Dividend paid to company shareholders	(113,928)	-
Net cash outflow from financing activities	(114,935)	(1,719)
Net increase in cash and cash equivalents	3,511	23,270
Cash and cash equivalents at beginning of period	37,795	12,288
Exchange gain on cash and cash equivalents	4,490	2,237
Cash and cash equivalents at end of period	45,796	37,795

Group Statement of Changes in Equity For the year ended 30 June 2011

	Called up share capital	Equity contribution	Available for sale investment reserve	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total equity
Group	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
As at 1 July 2009	-	305,359	56,553	8,037	3,129	(69,472)	303,606
Profit for the year	-	-	-	-	-	28,843	28,843
Gain on revaluation of available for sale investments	-	-	2,628	-	-	-	2,628
Currency translation differences	-	(26,625)	(6,169)	2,189	(452)	-	(31,057)
Total comprehensive income	-	(26,625)	(3,541)	2,189	(452)	28,843	414
Share capital issued	-	-	-	-	-	-	-
Cost of share issue	-	(3,625)	-	-	-	-	(3,625)
Share based payments	-	-	-	-	3,998	-	3,998
As at 30 June 2010	-	275,109	53,012	10,226	6,675	(40,629)	304,393
Profit for the year	-	-	-	-	-	65,205	65,205
Gain on revaluation of available for sale investments	-	-	(1,689)	-	-	-	(1,689)
Currency translation differences	-	17,315	8,070	19,335	378	46	45,144
Total comprehensive income	-	17,315	6,381	19,335	378	65,251	108,660
Purchase & cancellation of own shares	-	(13,763)	-	-	-	-	(13,763)
Share options exercised	-	6,830	-	-	(3,901)	3,901	6,830
Share based payments	-	-	-	-	430	-	430
Share options cancelled	-	-	-	-	(2,982)	2,982	-
Dividend paid	-	-	-	-	-	(113,928)	(113,928)
Revaluation transfer	-	-	(61,226)	-	-	-	(61,226)
As at 30 June 2011	-	285,491	(1,833)	29,561	600	(82,423)	231,396

