

1 March 2016



POLO RESOURCES LIMITED
("Polo" or the "Company")

BLACKHAM RESOURCES – INVESTMENT UPDATE

Polo Resources Limited (AIM: POL), the natural resources investment company with interests in oil, gold, coal, copper, phosphate, iron and vanadium, is pleased to report that Blackham Resources Limited ("Blackham") ("ASX: BLK"), in which Polo holds a combined and indirect equity interest of 10.18 per cent interest, has announced the completion of the Definitive Feasibility Study ("DFS") on its 100 per cent owned Matilda Gold Project. ("Project").

DFS Highlights:

• Mining Inventory	8.3Mt @ 2.9g/t for 767,000oz
• Reserves	6.1Mt @ 2.5g/t for 481,000oz
• Initial Life of Mine	+7 years
• Average Annual Production	101,000ozpa (over 1 st 5 years)
• LOM C1 Cash Costs	A\$850/oz or US\$600/oz
• Annual EBITDA @ \$1,600/oz	A\$58M (Yr1) & A\$62M (5yr Avg)
• Pre-Production Capital Costs	A\$32M
• Project Cash Flow*	A\$234M
• NPV _{7%} before corp & tax*	A\$170M
• Payback*	12 months
• IRR before corp & tax*	150 %

*All at A\$1,600/oz or US\$1,207/oz

- Rapid low capital pathway to gold producer within 6 months
- Ore Reserve Estimate of 481,000oz (PFS 270,000oz) demonstrates very high conversion of Mineral Inventory into Reserves
- DFS adds two years of mine life enabling sustainable ongoing production
- Project implementation underway

Summary

Blackham has confirmed the Project's robust economics including a low capital requirement, short timeframe to production, fast payback and operating costs that are in line with its Western Australian peers. The very low capex required for the project is due to the substantial plant and infrastructure at site and the minor plant refurbishments required to re-start the project,

The table below demonstrates the projects economics at a range of gold prices. Every A\$100/oz increase in the gold price adds A\$63 million to the cash flow of the project.

Gold Price Sensitivity	A\$1,500/oz ¹	A\$1,600/oz ²	A\$1,700/oz ³
• Project Cash Flow	\$171	\$234	\$296
• NPV _{7%} before corp & tax	\$121	\$170	\$219
• Payback (months)	14	12	9
• IRR before corp & tax	102%	150%	211%
• EBITDA (1 st 5 years average)	\$52M	\$62M	\$72M

1. A\$1,500/oz approximates the 5 year average gold price
2. A\$1,600/oz approximates the average 2016 YTD gold price
3. A\$1,700/oz approximates the average gold price of the 10 day period to 24 February

During the DFS process, an additional two and a half years' has been added to the mine life from the PFS which results in a significant improvement in the Project's economics. The DFS confirmed strong conversion of Inferred Resources into Indicated Resources and PFS Mineral Inventory into Reserves. Since finalising the DFS Resources, Blackham has continued drilling at Matilda, Golden Age and Bulletin with the aim of improving the quality and quantity of the reserve ounces. Further reserve re-estimates are expected prior to production.

The results of the DFS show improved economics to the PFS (refer Blackham's ASX announcement 20 October 2015) plus the addition of a longer mine life and a superior confidence level, improving from +/- 25 per cent to +/- 15 per cent. The results of the DFS confirm the mining and processing parameters are not dissimilar to the results of the PFS.

Following the completion of the DFS, Blackham's Board have committed to the Matilda implementation plan and development timeline. The 4.7Moz Matilda Gold Project is targeting production by Q3 2016.

The full details of Blackham's announcement can be found at www.blackhamresources.com, including a competent person's statement (JORC 2012).

Polo is directly interested in 7.28 per cent Blackham's issued ordinary share capital and in a further 2.90 per cent via its 49 per cent shareholding in Perfectus Management Ltd with a total interest attributable to Polo of 8.70 per cent.

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About the Company

Polo Resources Limited is a natural resources investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth prospects. For complete details on Polo, please refer to: www.poloresources.com.