21 December 2015

POLO RESOURCES LIMITED
(“**Polo**” or the “**Company**”)

RESULTS FOR THE YEAR ENDED 30 JUNE 2015

Polo Resources Limited (AIM: POL), the natural resources exploration investment company with interests in oil, gold, coal, phosphate, copper, iron ore and vanadium, today announces results for the 12 months ended 30 June 2015.

Financial Summary

- Combined total of cash, receivables, payables, listed and unlisted equity investments of US$73.05 million as of 17 December 2015 (30 June 2015: US$77.05 million).
- Net Asset Value per share as at 17 December 2015 was approximately 16.09 pence per share (30 June 2015: 17.70 pence per share).
- Listed and unlisted investments at marked to market value, cost and valuation amounted to US$53.61 million as at 17 December 2015 (30 June 2015: US$49.51 million).
- Substantial decrease in holding company administrative expenses to US$1.71 million (2014: US$2.07 million).
- Loss on ordinary activities after taxation of US$61.2 million (2014: loss of US$19.1 million) significantly attributable to impairment of the Group’s investments, including associates, with a total of US$54.6 million written down against GCM Resources plc (AIM: GCM), Signet Petroleum Limited, Ironstone Resources Ltd and Equus Petroleum Plc, and a charge of US$3.5 million against the evaluation and exploration assets of its 90 per cent owned Nimini Gold project in Sierra Leone. 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 beyond a single reporting year.

Investment Highlights

- Blackham Resources Limited (ASX: BLK) (Gold, Australia)

The Company, in which Polo has a combined direct and indirect holding of 10.23 per cent, of which 8.75 per cent is attributable to Polo, now has funding in place to advance its Maltida Gold Project (“Matilda”) into production, anticipating the first pour of gold in Q2 2016. Blackham recently released a Pre-Feasibility Study for Maltida and is expecting results from the Definitive Feasibility Study in Q1 2016.

Blackham's key achievements of the last year include:

- Gold resources have been grown to 44 million tonnes ("Mt") @ 3.3 grammes per tonne ("g/t") for 4.7 million ounces ("Moz") (JORC 2012) with Measured & Indicated resources - 20Mt @ 3.5g/t for 2.2Moz Au.

- All resources remain within less than a 20km radius of Blackham's 100 per cent owned Wiluna gold plant.

- December 2014, the Blackham published its initial mining inventory of 5.0Mt @ 2.8g/t for 454,000oz Au which increased to 6.0Mt @ 2.8g/t for 540,000oz Au in October, 2015.

- The mining and processing studies have been ongoing, further de-risking the project whist at the same time aiming to grow the mine life beyond the initial 4 years.

- November 2014, Blackham announced the maiden high grade resource for Golden Age of 0.6Mt @ 6.7g/t for 125,000oz Au.

  February 2015, Blackham announced the maiden open pit resource for Bulletin South of 2.6Mt @ 3.4g/t for 280,000oz Au.

- Blackham announced New Iceberg 2, Scorchers and Sixers lode discoveries at the Matilda Mining Centre.

- Hibiscus Petroleum Berhad (HIBI: MK) (Oil & Gas, Australia, UK, UAE, Norway, Oman)

  - Polo subscribed 90 million shares in Hibiscus, a Main Market of Bursa Malaysia listed company for US$5 million. The holding represents a strategic 8.4 per cent stake.

  - Current development assets located in Australia with an estimated 8.0 million barrels (MMbbls) of 2P/2C reserves/resources.

  - Its asset base is set for a step-jump with the anticipated completion of two recently announced strategic conditional acquisitions, 50 per cent of the Anasuria Cluster ("Anasuria") oil and gas fields in the North Sea and 100 per cent of Hydra Energy Holdings Pty Ltd ("Hydra") which has seven operated Petroleum Titles located in the Carnarvon Basin, offshore North West Australia.

  - Anasuria is currently producing at an average of over 7,000 barrels of oil per day net to Shell and Esso and has a 40.4 million stock tank barrels 2P Oil Reserves and 27.9 Billion Standard Cubic Feet 2P Gas Reserves together with potential for addition reserves through infill drilling.

  - Hydra's assets include 4 having discoveries totalling 15 - 17 MMbbls net to Hydra and on completion of this transaction, Hibiscus' net 2P / 2C Australian oil resource base would increase from 8 MMbbls to 23 - 25 MMbbls.

  - With the completion of the Hydra and Anasuria acquisitions Hibiscus' global net 2P / 2C resource base would be circa 47 MMbbls.

- Signet Petroleum Limited and Regalis Petroleum Limited (Oil and Gas, Africa)

  - Signet, in which Polo has a 42 per cent interest, determined to wind down its affairs. It allowed its Burundi, Benin and Sierra Leone licences (87.5 per cent interest in

Block C Lake Tanganyika Burundi, 90 per cent interest in Block 03 offshore Benin, 10 per cent carried interest in Block SL-7A-10 offshore Sierra Leone) to lapse. Further exploration at Signet's Mnazi Bay North licence offshore Tanzania, in which it has an 80 per cent interest, will not be pursued.

- Polo received a cash distribution of US$691,000 and an additional balance of approximately US$91,000 is expected in Q1 2016, subject to final determination as Signet's expenses and its liabilities are settled.

- Polo also received an in-specie distribution of approximately 1.89 million shares in private Regalis Petroleum Limited ("Regalis"), which has interests in Blocks DOA and WD2-2008 onshore Southern Chad, and of a further 1.23 million shares from certain other Signet shareholders, as part of the winding down, with a total value of approximately US$6.96 million. These shares are in addition to the 3.5 million shares held directly by Polo and bring Polo's total shareholding in Regalis to 13.67 per cent. In its year ended 31 December 2014, Regalis reported an unaudited loss from operations of US$7.5 million and had net assets as at that date of US$40.1 million.

- Regalis intends to explore its highly prospective onshore exploration blocks and remains optimistic that it will be in a position to undertake the initial drilling programme in due course. It completed a 5,349 km airborne gravity/magnetic survey over the blocks which are on trend with existing and recent Glencore/Caracal discoveries.

- Overall Polo wrote down its Signet investment, net of the value ascribed to transferred Regalis shares, by approximately US$20.6 million.

- Celamin Holdings NL (ASX: CNL) (Phosphate, Tunisia)

    - December 2014, Polo increased its interest in ASX listed Celamin, from 12.7 per cent to 33.2 per cent, following Polo's participation in Celamin's rights issue to raise A$7.6 million to fund a Bankable Feasibility Study ('BFS') and advance the promising Chaketma Project.

    - The twelve month BFS will be completed in two phases. The first will be a PFS focused on upgrading the resource to Measured and Indicated categories to enable the completion of a detailed mine plan. Phase two is the detailed engineering stage.

    - Based on a successful BFS, it is anticipated that, subject to financing, the Chaketma Project could be in production by 2017.

    - April 2015, Celamin updated the market on the dispute between its wholly owned subsidiary Celamin Limited and its local joint venture partner Tunisian Mining Services ("TMS") in relation to an apparently fraudulent transfer to TMS of Celamin's 51 per cent interest in the joint venture company Chaketma Phosphates SA ("CPSA").

    - As previously reported, Celamin is seeking the preservation and recognition of Celamin's rights, including restitution of its shares in CPSA and compensation for damages suffered via an international arbitration of the dispute. Celamin is also continuing with various other legal actions in Tunisia including the criminal proceedings and the debt recovery action as previously announced.

- Weatherly International Plc (AIM: WTI) (Copper, Namibia)

  - November 2014, the Company subscribed for new shares in AIM listed Weatherly, a mining, development and exploration company focusing on Copper in Namibia which brought Polo's interest to 7.06 per cent of its enlarged issued share capital, now diluted to 5.2 per cent.

  - The plant for Weatherly's heap leach open pit Tschudi Project was commissioned before the end of 2014 and the first copper cathode produced in February 2015, well ahead of schedule.

  - Initial copper recoveries that were lower than anticipated due to slower leach rates have since been quantified to have no negative impact on Tschudi output rates once design capacity is reached.

  - September 2015, production guidance at Tschudi was upgraded by 15 per cent from 1,000 tonnes per month to 1,150, and is on track to hit the projected 17,000 tonnes by year end.

  - Tschudi produces some of the highest grade copper cathode in the world in the best mining jurisdiction in Africa.

  - Although the Company's financial position has been affected by prevailing copper prices reaching their lowest levels in six years, a deferment of its debt servicing obligations was secured from its loan provider and largest shareholder.

- Ironstone Resources Limited (Iron Ore, Vanadium, Precious Metal, Canada)

  - Ironstone raised C$1.04 million towards reduction of debt and completing an SRK Consulting Preliminary Economic Assessment, on its Clear Hills Iron/Vanadium project in Alberta, Canada, which is expected to be completed in Q4 2015.

  - Polo's interest in Ironstone increased to 18.8 per cent following an additional investment by Polo of C$101,000 and the operation of a price protection mechanism for certain early stage investors.

  - Given the material fall in iron ore prices, Polo wrote down its carrying value by US$6.63 million.

Datuk Michael Tang, Executive Chairman of Polo, said:

"The resources sector has faced much market volatility over the last 12 months, but our healthy balance sheet and exposure to near term cash generating investments has allowed us to stay strong through what has been a challenging period for many companies.

"We continue to follow our strategy of supporting near-term producers with proven reserves and inherent upside potential offering investors a balanced exposure to the resources sector.

"Over the period, Blackham Resources has been a highlight in Polo's investment portfolio with the Pre-Feasibility Study for its Matilda Gold Project being released, the Definitive Feasibility Study expected in the first quarter of 2016 and first gold pour anticipated for the second quarter of 2016.

"And although the oil and gas industry is languishing in an environment of oversupply and low prices, we are excited about the prospects of our recent investment in Hibiscus Petroleum as they are on track to generate positive cashflow from the North Sea and grow its asset base in the United Kingdom and Australia.

"The achievements of Blackham and the other investments in our portfolio continue to provide significant upside potential to Polo and I look forward to updating the market with further progress and developments in due course."

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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.

CAUTIONARY STATEMENT

The AIM Market of the 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 the future plans and objectives of Polo. 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 assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

The Company's exploration and investment activities may also be affected by a number of risks, including legal, political, environmental, economic, financing, permitting, commodity, exploration and development and other market risks which are normal to the industry and referenced in greater detail in the Company's 2014 Annual Report for the period ending 30 June 2014, which may be found on the Company's website at profile on www.poloresources.com.

Chairman's Statement

The period under review has been one that has seen the wider natural resources sector suffer a significant loss of investor confidence. Primarily this has been brought about as result of China's economic slowdown in the rate of GDP growth which is serving to weaken demand for natural resource commodities combined with a rising US dollar index and the continued lackluster oil price. This situation has created a feeling of negative sentiment which has hindered the performance of equities that are exposed to the natural resources sector.

This recent volatility in the sector has had an adverse impact on Polo's share price and on resource companies as a whole. Whilst this is disappointing, we believe that Polo, and its diversified investment portfolio, is well positioned to take advantage of a return in sentiment in the sector. We are seeing a number of transactions and opportunities emerging as the major natural resource companies dispose of non-core assets, junior miners become realistic on valuations and the investment community becomes re-engaged in the sector as deal flow unfolds. To position itself to exploit under valued and compelling opportunities, the Company commenced in the second half of the financial year under review to rationalise its portfolio with the objective of re-deploying capital and resources from existing longer term investments towards companies and projects with nearer term strong value enhancement potential and attractive growth prospects. Measures that were undertaken included the winding down of Signet Petroleum Limited and its associated entities and the substantial reduction of Polo's funding towards Ironstone Resources Ltd and Nimini Mining Limited. Following a review of the Company's portfolio and refinement of its strategy towards projects with nearer term value enhancement potential, the Company has made a significant impairment to its investment portfolio.

Nevertheless, I am confident that our net cash position and the diversity within our portfolio will serve to provide shareholders with a more balanced exposure during this uncertain period.

I am particularly pleased with our investment in Blackham Resources Limited ("Blackham") and its gold project which is poised to go into production in 2016. The USD gold price has held up relative to other commodities but in AUD terms has been relatively stable providing a distinct advantage to Blackham where costs are also in AUD's. I am also pleased with our recently acquired strategic stake in Hibiscus Petroleum Berhad which is poised to move from being an exploration company to a North Sea oil producer by mid-2016.

2015 Investment Portfolio Overview

Gold:
Blackham Resources (ASX: BLK), in which Polo has a combined direct and indirect holding of 10.23 per cent, of which 8.75 per cent is attributable to Polo, has continued to make progress on its flagship Matilda Gold Project. Post reporting period, in September 2015 Blackham announced the results of a Preliminary Feasibility Study ("PFS") on Matilda, highlights of which included a mining inventory of 6.0 million tonnes ("Mt") at 2.8 grams per tonne ("g/t") for 540,000 ounces ("oz"). An initial life of mine ("LOM") of 4 years and 9 months with average annual production of 98,000oz, LOM C1 cash costs of AUD920/oz and LOM *all-in sustaining costs* ("AISC") of AUD1,150/oz. Gross Revenue of AUD720 million at a gold price of AUD1,550/oz and operating cash flow of AUD186 million. Fully funded pre-production capital costs of AUD28 million and net present value at a discount rate of 5 per cent after royalties and capital expenditure but before tax equating to AUD124 million or AUD0.62 per Blackham share. Payback is 14 months with an internal rate of return after royalties and capital expenditure but before tax of 105 per cent. These highlights have been extracted from the full Blackham announcement which was prepared in accordance with the JORC Code (2012) and the ASX listing Rules and which may be viewed in full, including cautionary and competent persons statements, at www.blackhamresources.com

These are pleasing preliminary findings that confirm the Matilda Project's robust economics and go a long way in supporting the potential value growth for Polo's investment in Blackham.

Blackham is now advancing Matilda to Definitive Feasibility Study stage ("DFS"). The work programme is well advanced and due for completion by Q1 2016 with an anticipated move to mine development in the second half 2016. The initial ore reserve estimate of 270,000oz demonstrates high conversion of the scoping mineral inventory into reserves, which will, in turn, add to the LOM.

Other tenements within a 20km radius from Blackham's Wiluna 1.3Mt per annum processing plant have yielded promising discoveries.

Polo is delighted with the progress Blackham's management team is making and this is now beginning to be realised in Blackham's share price that has started to recover and move above our initial entry level.

Nimini Holdings Limited's ("Nimini") operations in Sierra Leone have been limited during the period under review as a result of the Ebola crisis. As a consequence work on the Komahun Gold Project was limited to a care and maintenance regime. It is good to see that Sierra Leone has recently been declared Ebola free, however, it will take some time for the Sierra Leone economy to recover. The country's resource sector has also been severely impacted by sustained low commodity prices, a lack of enabling infrastructure and bureaucratic problems associated with Sierra Leone's resource sector being at an early stage of development. Polo recognises that any return on this investment is dependent on Nimini being able to move the Komahun Gold Project forward and this is entirely dependent on obtaining from the Government of Sierra Leone a ratified Mine Development Agreement ("MDA") which would set out realistic fiscal terms and a sustained recovery of the price of gold. Management is currently reviewing the options that are available for Nimini whilst discussions are on-going with the Government. For the period under review, Polo made a further charge of USD3.5 million against the Komahun evaluation and exploration assets (following the previous financial year's provision of USD28.2 million and goodwill write-off of USD2.8 million relating to the acquisition of Nimini).

Phosphate:
Celamin Holdings NL ("Celamin") (ASX: CNL), in which Polo has a 33.23 per cent equity interest, was making good progress on a Bankable Feasibility Study ("BFS") for the Chaketma Phosphate Project ("the Project") in Tunisia, when in early March 2015, CNL became aware that its local partner had initiated a process to take over CNL's entire share in the Project. CNL is currently embroiled in an internal shareholder dispute with the local partner and this involves both international arbitration and criminal cases in Tunisia. Further details of this are contained within the investment update. Polo remains optimistic regarding the outcome of the legal proceedings, the future of the Project and achieving returns on its investment.

Whilst it is recognised that demand for potash and phosphates continues to remain robust, price pressures have continued to weigh heavily on the sector to the point where they are becoming unsustainable for some of the major players operating in the market.

Polo is confident that the Project with its strategic location close to Western Europe, which is the one of the largest import markets for phosphate rock, will be a low cost producer that is well positioned to take advantage of demand from what is a logistically low cost, easy to supply customer market.

Copper:
Polo has a 5.2 per cent equity interest, diluted from an initial 7.1 per cent, in Weatherly International Plc ("Weatherly") (AIM: WTI), an emerging mining, development and exploration company focused on copper in Namibia. Weatherly's plant for its flagship Tschudi Project in Namibia was commissioned in Q4 2014 and the first copper cathode was produced in February

2015, well ahead of schedule. Unfortunately the Company's initial copper recoveries were lower than anticipated due to slower leach rates, leading to a higher than anticipated acid consumption, that, combined with a falling copper price has caused a decline in the Company's financial performance and share price.

The Company has since announced that slower-leaching ore has now been quantified to represent approximately 3 per cent of the Tschudi reserve, and to have no negative impact on Tschudi's output rates once design capacity is reached. The remaining Tschudi ore is performing on the heap leach pad as expected and the processing plant is performing at or above expectations, and is on track to hit the projected 1,400 tonnes per month by the end of 2015.

Whilst we can take some comfort in the fact Tschudi is producing a premium grade copper product which should enable Weatherly to secure prices above LME spot rates, the global copper market remains depressed which resulted in the company having to agree a loan repayment deferral with its loan provider and largest shareholder. Discussions on the amended debt repayment arrangements continue. However it would be unrealistic to assume investor sentiment improving until there is a sustainable recovery in copper price.

Oil and Gas:

Sluggish demand from a low growth global economy and robust supply, particularly from OPEC members and the new tight oil supply markets of north America, have created conditions that have seen a rapid fall in the price of oil. Accordingly, oil and gas majors have significantly reduced spending on exploration. These factors have combined to create significant negative market sentiment and slowing demand.

Polo originally entered the oil and gas market when oil was trading at levels above USD100 a barrel and when majors were expanding investment, acquisition and exploration. Interest in oil and gas within the African market, where Polo was active with investments in African focused oil and gas companies Regalis Petroleum Limited ("Regalis") and Signet Petroleum Limited ("Signet") and also in the frontier Kazakhstan market through Equus Petroleum Plc ("Equus") was also expanding. Since year-end there have been some adjustments to Polo's portfolio which are discussed below.

Polo has continued to look at oil and gas companies that have quality assets and the ability to both survive market downturns and take advantage when the market recovers. For this reason Polo recently subscribed for 90 million new ordinary shares in Hibiscus Petroleum Berhad (HIBI: MK) ("Hibiscus"), a Main Market of Bursa Malaysia Securities Berhad listed company, for USD5.0 million. The holding represents a strategic 8.4 per cent stake in the enlarged fully paid capital of Hibiscus.

Hibiscus has focused on assets in politically stable areas, largely Australia and the United Kingdom, and through recent conditional acquisitions which are currently pending regulatory approvals, is poised to grow its asset base and to become a North Sea oil producer. To date, Hibiscus has financed its acquisitions through equity and after completion of its current acquisitions, it intends to largely support further expansion through revenue.

In March 2014, Signet's Namibian assets were sold, which saw circa USD22.8 million (5.1p per share) returned to Polo under a share buyback. Post this reporting period, and following the depressed market conditions, Polo announced that Signet was exiting its portfolio of African oil and gas licences and making distributions to shareholders as described below.

Signet has allowed its Burundi and Benin licences (87.5 per cent interest in Block C Lake Tanganyika Burundi, 90 per cent interest in Block 03 offshore Benin) to lapse. Signet has also relinquished its Sierra Leone license (10 per cent carried interest in Block SL-7A-10 offshore Sierra Leone) as its operating partner Minexco Petroleum decided not to renew the license.

Further exploration at Signet's Mnazi Bay North licence offshore Tanzania, in which it has an 80 per cent interest, will also not be pursued.

Signet's shareholders have agreed to a distribution of Signet's net cash and an in-specie distribution by Signet Petroleum Nigeria Ltd ("Signet Nigeria") of shares in Regalis which has interests in Blocks DOA and WD2-2008 onshore Southern Chad, an investment by Signet Nigeria made in June 2014. Regalis intends to explore these prospects which are on trend with existing and recent Glencore/Caracal discoveries. Polo received an in-specie distribution from Signet Nigeria of approximately 1.89 million shares in Regalis and a further 1.23 million shares from certain other Signet shareholders, as part of the winding down of Signet's affairs, with a total value of approximately US$6.96 million. These shares are in addition to the 3.5 million shares held directly by Polo and bring Polo's total shareholding in Regalis to 13.67 per cent.

Polo has also received a cash distribution of USD691,000 and an additional balance of approximately USD91,000 is expected during Q1 2016, subject to final determination as Signet's activities are wound down and its liabilities are settled. Overall the Company has written down its Signet investment, net of the value ascribed to transferred Regalis shares, by approximately USD20.6 million. No value has been ascribed to a potential contingent bonus right on certain of Signet's disposed interests in Namibia that are dependent upon the achievement of future resource and/or reserve levels because of their nature. We are pleased to have been able to secure some benefits of our investment exposure to Signet at a time where such exit transactions are becoming increasingly challenging.

In its year ended 31 December 2014, Regalis reported an unaudited loss from operations of USD7.5 million and had net assets as at that date of USD40.1 million. Despite difficult market conditions for oil and gas exploration, Regalis continues to explore funding opportunities with potential investors and remains optimistic that it will be in a position to secure the additional funding necessary to complete the initial drilling programme.

Polo intends to exit Equus, in which it has a 1.95 per cent equity interest in view of the lower domestic oil and gas price available to Equus in Kazakhstan. A USD2.5 million impairment was recorded for this investment.

Iron Ore and Vanadium:
The iron ore market remains depressed with over supply and low demand. Nevertheless Ironstone Resources Ltd ("Ironstone") has been making good progress at its Clear Hills Iron Ore and Vanadium Project in Alberta, Canada, which holds one of the world's largest NI 43-101 compliant iron-vanadium deposits. Polo is now the largest shareholder with an 18.8 per cent interest. A breakthrough in metallurgical processing through the HICS technology, which is owned by Hatch and Ironstone, has also been made. This technology, a multi-stage direct reduction/iron segregation and vanadium extraction process, has major potential for licensing, development and monetization and is potentially of significant value, coming as an added value investment credit aside to our investment exposure associated purely with Ironstone's mine development.

Post period-end, Ironstone's management raised CAD1.04 million and Polo's interest in Ironstone increased to 18.8 per cent from 15.16 per cent previously following an additional investment by Polo of CAD101,000 and the operation of a price protection mechanism for certain early stage investors including Polo. Ironstone is applying the proceeds raised towards reduction of debt and completing a SRK Consulting Preliminary Economic Assessment, on its Clear Hills project. This is expected to be completed in Q4 2015. Given the material fall in iron ore prices, Polo has however written down its Ironstone investment by USD6.63 million.

Coal:
Polo's 27.8 per cent equity investment in GCM Resources Plc ("GCM") (AIM: GCM) provides the Company with long term investment exposure to the Bangladesh energy sector. GCM owns a world class coal resource of 572 million tonnes (JORC 2004 compliant) near the town of Phulbari

in North West Bangladesh. The resource is made up of 60 per cent high quality thermal coal, with low ash metallurgical coal, also known as semi-soft coking coal, making up 20 per cent. The remaining thermal coal is also of quality with potential applications in industry and power generation. The Bangladesh government is engaged in plans to increase its domestic energy production which include the planned building of new coal fired power stations. Long term, GCM is well positioned to provide coal feedstock to support this demand through its Phulbari coal project.

In September 2015, GCM announced the successful conclusion of an examination by the UK National Contact Point ("NCP") on the Organisation for Economic Co-operation and Development ("OECD") guidelines for multinational enterprise programmes, into GCM's activities in Bangladesh in relation to the Phulbari project. This is an important step to ensure a mutually acceptable and equitable relationship can exist. I am pleased to note the Government of Bangladesh's recent initiative to evaluate open pit mining in the northern area of its Barapukuria coal deposit located immediately north of the Phulbari proposed open pit coal mine. This is reflective of the fact that the domestic demand for coal in Bangladesh is set to rise notwithstanding the significant decline in global coal consumption.

In light of the significant fall in GCM's market capitalisation, the Company has recorded an impairment to the carrying value of its investment of USD24.8 million.

I would like to take this opportunity to thank our shareholders for their patience and understanding in what is clearly a market where sentiment for natural resource focused companies' remains challenging. On a positive note, you will see from our portfolio investment overview some of our projects are now advancing up the value curve, both in terms of moving into advanced feasibility stages and into production.

I remain optimistic that our net cash position will enable us to take advantage of the currently depressed market situation and acquire assets that will add value to our portfolio. When commodity prices recover we expect to see the benefits of these investments and a share price that more truly reflects the Company's net worth and potential.

Datuk Michael Tang, PJN
Executive Chairman
18 December 2015

Investment Update

Gold

Blackham Resources Limited (ASX: BLK)

- Gold, Western Australia
- Coal, Southwest Australia
- Combined direct and indirect 10.23 per cent equity interest or 8.75 per cent effectively

In November 2015, Polo increased its undiluted interest in Blackham from its direct holding of 2.37 per cent to 7.36 per cent, resulting in a combined direct and indirect holding of 10.3 per cent, of which 8.8 per cent is attributable to Polo following its acquisition of 10,000,000 ordinary shares of Blackham for AUD2.1 million or AUD0.21 per share from Perfectus Management Ltd ("Perfectus"), a 49 per cent owned associate of Polo, by way of the issuance of 25,016,484 new Polo ordinary shares at an agreed price of 3.92 pence per share to Perfectus. Following Blackham's new share issuances in December 2015, Polo's combined direct and indirect holding is 10.23 per cent, of which 8.75 per cent is attributable to Polo.

As previously announced, Polo has the right to purchase a further 49 per cent of Perfectus for AUD3.0 million to be satisfied by the issue or transfer to the vendor of ordinary shares in Polo at an agreed price of 15 pence per share and a call option has also been placed on Polo's interest in Perfectus with an exercise price set at the higher of 49 per cent of the net asset value of Perfectus or AUD4.5 million. These options expire in May 2016.

Matilda Gold Project, Western Australia

Blackham is a near term gold producer with 4.7 million ounces ("Moz") of gold resources combined with a 780km^2 exploration package and 55km of prospective strike which has historically produced over 4Moz.

Its 100 per cent owned Wiluna Gold Plant ("WGP") is located in the centre of the Matilda Gold Project and is capable of processing 1.3Mtpa or ~100,000ozpa. The expanded Matilda Gold Project now includes combined resources of 44Mt at 3.3g/t for 4.7Moz Au.

Blackham recently released a PFS for Maltida and is expecting results from the DFS in Q1 2016.

Funding is in place to advance its Maltida Gold Project into production, anticipating the first pour of gold in Q2 2016 and in line with this Blackham announced an early drawdown of AUD7 million from its debt facility on 7 December 2015.

Mining Inventory

In December 2014, Blackham published its initial mining inventory over the Matilda Gold Project. The open pit and underground mining studies at the time delineated an initial Mining Inventory containing 4.9Mt at 2.8g/t for 454,000oz Au contained ounces to be processed over the first 4 years of the project at an average annual production of 1.3Mt and 119,000oz contained gold.

Table 1: Matilda Mining Inventory

		Production	
		Average Annual	Yrs 1 to 4
Tonnes Milled	t	1,300,000	4,987,000
Processed Grade	g/t	2.8	2.8
Processed Ounces	oz	119,000	454,000
Recovery	%	90%	90%
Recovered Ounces	oz	106,000	407,000

The mining studies have been ongoing and have focused on the Galaxy, Golden Age, Matilda, Williamson, Calvert, East Lode and West Lode deposits. The last four of these deposits have been mined previously and processed through the Wiluna Plant. The Matilda Mine resources were updated in June 2015 with 90 per cent of the in pit resources moving to a measured and indicated resource category. Blackham notes that over 97 per cent of the Inferred Resources in the Mineral Inventory are coming from deposits that have a previous mining history, giving further confidence to the grade of these Inferred Resources. Generally there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

Mining Engineering and Associated Studies

Studies are in progress on costing and engineering work associated with the open pit mining areas. Initial PFS mine designs have been prepared for the Matilda, Galaxy and Williamson open pits which will be refined once the metallurgy studies are completed. The geotechnical work for these areas has now been completed to a PFS level of certainty.

Underground mining studies are progressing at Golden Age, East Lode, West Lode and Calvert. Geotech studies and mine designs have been completed for these areas. Re-costing of the mine plans are currently in progress. During June 2015 a project management plan was prepared and submitted to the Department of Mines and Petroleum ("DMP") for re-entry to the Wiluna underground focusing on the Golden Age area. Access was sought to enable cost effective drilling of the Golden Age plus enable access to drill the footwall and hanging wall reefs of Brothers and Republic.

Geology

During the year, Blackham revised the Matilda Gold Project's 44Mt at 3.3g/t for 4.7Moz gold resources to JORC 2012 standard to include the revised resource estimate for the Matilda Mine (see Blackham's ASX announcement dated 10 June 2015). The revised resource has 20Mt at 3.5g/t for 2.2Moz in the Measured and Indicated Resource categories (see ASX announcement dated 10 June 2015). Final resources across the deposits in the mine plan are now at a PFS level of confidence.

During July and August 2015, Blackham had up to 3 drill rigs at the Matilda Gold Project to fast track the drilling required to complete the DFS. Since 1 July 2014, Blackham has completed 12,091m of Reverse Circulation (RC) and 2,259m of diamond drilling at the Project.

Golden Age

In November 2014, Blackham published its maiden resource estimate for the high grade Golden Age reef of 0.6Mt at 6.7g/t for 125,000oz. Golden Age is a free milling reef which has historically produced 160,000oz at 9g/t Au. In June 2015 Blackham employees successfully re-entered the Golden Age portion of the Wiluna Mine via the existing Bulletin decline. After confirming ground conditions, existing services and safety procedures, an underground rig commenced drilling the reef within 3 weeks of the initial re-entry.

Post the reporting period, in August 2015 and September 2015 the assays from Blackham's maiden Golden Age drill programme showed high to bonanza grades. GAUD0003 intersected visual gold in the early drilling of the Golden Age Reef at its Matilda Gold Project. The assay results from GAUD0003 returned 5.1m at 198g/t Au from 173.1m which includes 0.8m at 1,148g/t Au from 177m. The gold mineralisation is hosted within sheared dolerite with visible gold present in sulphide stringers in the last 1.5m of the quartz vein. This intersection is 55m east of the previous underground mine workings.

Golden Age assay results in August and September confirm high grade nature of the deposit:

- 5.1m at 198g/t Au including 0.8m at 1,148g/t Au GAUD0003
- 2.2m at 18.9g/t Au including 0.8m at 42.1/t Au GAUD0004
- 0.9m at 24.8g/t Au GAUD0005
- 3m at 9.18g/t Au GAUD0012
- 0.7m at 16.2g/t Au GAUD0011

The initial drill programme confirmed the high grade nature of the Golden Age Reef. The drill results from the central portion of the Golden Age deposit average 2.2m (true width) at 83g/t Au between the 900 to 1,100m RL's. This drilling has demonstrated the system is still open and that the previous modelling appears to be conservative. The Golden Age resource is currently being re-estimated for the recent drilling. The deposit is a high-grade free-milling gold deposit which is a priority feedstock for re-commissioning the Wiluna Plant.

These drilling programmes were in line with Blackham's focus on oxide and free milling gold targets and resources within open pit or shallow underground depths, as well as in close proximity to the Wiluna plant and infrastructure and is capable of being bought into the early years of the mine plan.

Blackham's total gold Resource Inventory at the expanded Matilda Gold Project is 44Mt at 3.3g/t for 4.7Moz Au. This Resource was last announced to the market, subsequent to the Matilda Resource update via the ASX announcement dated 10th June 2015.

All mining inventory, resource and assay results set out above have been extracted from public announcements by Blackham which included competent person's review assessments as set out in the relevant announcements. Please refer to www.blackhamresources.com.au for further details.

Nimini Holdings Limited

- Gold, Sierra Leone
- 90 per cent equity interest

We have continued to support the Sierra Leone focused gold exploration company Nimini Holdings Limited in which Polo holds a 90 per cent interest.

Nimini filed an independent Mineral Resource Estimate ("MRE") for its Komahun Gold Project in August 2013, which showed a significant resource increase. The MRE reported an Indicated Mineral Resource of 0.55Moz (3.65Mt at a gold grade of 4.69g/t) and an Inferred Mineral Resource of 0.34Moz (2.61Mt at a gold grade of 4.08g/t), for potentially mineable Mineral Resources at a 2.4g/t cut-off grade. Details, including a qualified person's statement, were set out in the Company's announcement dated 1 July 2013.

The prime objective remains that of progressing the Mine Development Agreement ("MDA") to parliamentary ratification; that will require the re-negotiation of certain terms as advised by the Government. However, the ongoing cases of the Ebola virus disease, which resulted in the State of Public Health Emergency being extended by 90 days from 11 June 2015, put a hold on the company's progress. Finally in November 2015, the World Health Organisation was able to declare that the country was now officially Ebola free.

During the reporting period, the Project has remained on care and maintenance and will continue on this basis until the MDA ratification. This will reduce Polo's funding exposure to Nimini. However a detailed mapping exercise was completed over a 14km^2 area to assist with the planning of a future drilling programme to add to the mineral resources.

Nimini's draft Preliminary Economic Assessment ("PEA") has been reviewed internally to assess the positive impact on capital expenditure and operating costs of the stronger United States Dollar, the lower fuel price and additional annual production which is estimated could result from a resource addition drilling programme. The combination of these factors results in a more robust project, albeit at a long term gold price which is above that currently prevailing.

Polo recognises that any return on this investment is dependent on Nimini being able to move the Komahun Gold Project forward and this is entirely dependent on obtaining from the Government a ratified MDA which would set out realistic fiscal terms and a sustained recovery of the price of gold. Management is currently reviewing the options that are available for Nimini whilst discussions are on-going with the Government. For the period under review, Polo made a further provision of USD2.0 million against the Komahun evaluation and exploration assets, and expensed USD1.5 million of costs incurred during the year, following the previous financial year's provision of USD28.2 million and goodwill write-off of USD2.8 million relating to the acquisition of Nimini.

Further information on Nimini may be found at www.niminigold.com.

Phosphates

Celamin Holdings NL

- Phosphate, Tunisia
- 33.23 per cent equity interest

In March 2014, Polo announced it had taken up a placement giving a strategic 12.7 per cent stake in Celamin which has phosphate interests in Tunisia ("Chaketma Project"). In November 2014, Polo increased its stake in Celamin by participating in a Renounceable Rights Offer as a sub-underwriter bringing Polo's total interest to 33.23 per cent.

The period under review saw a number of milestones achieved in the progress of Celamin's core asset, the Chaketma Project in Tunisia. This included the formal launch of the Project's BFS and the achievement of improved metallurgical results, which may have a positive impact on the Project's economics.

The Chaketma Project is a significant large-scale phosphate development asset, which comprises six prospects over a total area of 56km^2. It hosts a total JORC compliant Inferred

Resource of 130Mt at 20.5 per cent phosphorus pentoxide, confirmed from drilling at only two of the Project's six prospects. Results from metallurgical test work conducted to date have confirmed the potential for the Project to produce a saleable high-grade phosphate concentrate. The Project is also well positioned relative to major infrastructure requirements, such as rail, road and ports.

In August 2014, Celamin announced the formal approval of the work plan and budget for the first phase of the BFS for the Chaketma Project. In December 2014, Celamin reported that it is in the final stages of awarding the contract for the BFS for the Chaketma Project, and the award of this contract is pending.

At the time of preparing this report Celamin is in a period of voluntary trading suspension citing in a press release on 18th March 2015 that this situation was brought about due to a dispute with its 49 per cent local partner Tunisian Mining Services ("TMS") and that legal advisers had been engaged to resolve the situation. At the heart of the dispute is an apparently fraudulent transfer by TMS to itself of Celamin's 51 per cent interest in the joint venture company Chaketma Phosphates SA ("CPSA"). A number of cases have been filed in the Tunisian courts and on 3 November Celamin announced that it had submitted a request for International Arbitration of the dispute in order seek preservation and recognition of its rights, including restitution of its shares in CPSA and compensation for damages suffered. Please refer to Celamin's website www.celaminnl.com.au for a full account of the situation.

Copper

Weatherly International Plc

- Copper, Namibia
- 5.2 per cent equity interest

In November 2014, Polo announced its first investment into copper through the acquisition of a 7.06 per cent interest in Weatherly, an emerging mining, development and exploration company focused on copper in Namibia. Polo's equity interest has subsequently declined to 5.2 per cent following share issuances by Weatherly. In February 2015 Polo announced that it had allowed its right to subscribe for a further 51,984,748 Weatherly shares at a subscription price of 2.925 pence per share to lapse, unexercised.

Weatherly's Namibian copper assets include the Otjihase and Matchless underground operations and the Tschudi open pit mine which became operational in February 2015. The Tschudi Project recovers copper through well proven heap leach, solvent extraction and electro-winning processing. The ramp up at Tschudi is proceeding according to the revised schedule, and around the end of this calendar year Weatherly is expected to be operating a new 17,000 tonnes per annum open pit copper mine in the best mining country in Africa, producing some of the highest quality copper cathode in the world.

Mining rate increases have proceeded ahead of plan, and Weatherly still expects to achieve 100 per cent of design capacity (1,400tpm) during Q4 2015. The target for the full calendar year 2015 remains at 10,000t of cathode, with 17,000 tonnes per annum rates sustained thereafter.

With over one million tonnes of full-scale heap leaching experience now gained for Tschudi material ranging from 12m depth to 60m depth, Weatherly confirms improved confidence in being able to predict leach rates and acid consumption rates, and below the shallow leached cap these rates remain consistent with feasibility study assumptions.

It is now clear that practically all of the ore which was planned to be treated will still be economically treated. The material which leaches significantly slower on the heap, and which consumes more acid than originally expected, contains approximately 3 per cent of the planned copper metal to be stacked over the current life of the Tschudi Project. More than 80 per cent of that material will have been mined by the end of 2015. The remainder will be mined relatively slowly over the following four years as pit pushbacks are developed. The leach cap ore will no longer impact upon Tschudi production rates once design capacity is achieved during the Q4 2015.

Cathode quality remains above expectations, exceeding LME Grade A requirements, and operating efficiencies in the plant are also exceeding initial expectations. Cathode assays of 99.998 per cent Copper and Electro-Winning current efficiencies of 92 - 94 per cent are routinely achieved, both of which can be considered as best in industry class performance.

Whilst we can take some comfort in the fact Tschudi is producing a premium grade copper product which should enable Weatherly to secure prices above LME spot rates, the global copper market remains depressed and the company has agreed a loan repayment deferral with its loan provider and largest shareholder. Discussions on amended debt repayment arrangements continue as operating cash flows at the current copper price are not sufficient to service its debt facility. However it would be unrealistic to assume investor sentiment improving until there is a sustainable recovery in copper price.

In addition, Weatherly holds a 25 per cent interest in AIM traded China Africa Resources Plc (AIM: CAF) which has completed a Pre-feasibility for its high grade zinc, lead, silver and vanadium deposit in Northern Namibia.

Oil and Gas

Signet Petroleum Limited

- Oil and Gas, Africa
- 42 per cent equity interest

On 9 November 2015, Polo announced an update in relation to Signet Petroleum Ltd and other Signet entities, whereby Signet's shareholders have agreed to wind down their activities. Polo received a cash distribution of USD691,000 and an additional balance of approximately USD91,000 is expected during Q1 2016, subject to final determination as Signet's activities are wound down and its liabilities are settled. The Company has also received an in-specie distribution from Signet Petroleum Nigeria Ltd of approximately 1.89 million shares in private Regalis Petroleum Limited ("Regalis"), and of a further 1.23 million shares from certain other Signet shareholders, as part of the settlement of Signet's affairs, with a total value of approximately USD6.96 million. These shares are in addition to the 3.5 million shares held directly by Polo and bring Polo's total shareholding in Regalis to 13.67 per cent. In light of this, Polo has written down its Signet investment, net of the value ascribed to transferred Regalis shares, by approximately USD20.6 million. Management is pleased to have been able to secure some benefits of the investment exposure to Signet at a time where such exit opportunities are scarce and challenging.

Regalis Petroleum Limited

- Oil, Republic of Chad
- 13.67 per cent equity interest

Polo interest in the private and independent oil and gas company, Regalis Petroleum Limited ("Regalis") increased to 13.67 per cent following an in-specie distribution by Polo's 42 per cent owned associate, Signet Petroleum Nigeria Limited and transfers from other Signet shareholders.

Regalis has interests in three highly prospective onshore exploration blocks in the Republic of Chad. Regalis completed a 5,349km airborne gravity/magnetic survey over Blocks DOA and WD2-2008 which are on trend with existing and recent Glencore/Caracal discoveries. Despite difficult market conditions for oil and gas exploration, Regalis remains optimistic that it will be in a position to undertake the initial drilling programme in due course.

Equus Petroleum Plc

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

Equus Petroleum Plc ("Equus"), is a Kazakhstan energy and petroleum company that operates oil and gas exploration and production activities in the Sarybulak oilfield, Central Kazakhstan through its Kazakh subsidiary Kumkol Trans Service LLP. 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.

Polo intends to exit Equus, in which it has a 1.95 per cent equity interest, in view of the low domestic oil and gas price available to Equus in Kazakhstan. A USD2.5 million impairment was recorded for this investment.

Hibiscus Petroleum Berhad

- Oil and Gas, Australia, United Kingdom, UAE, Norway, Oman,
- 8.4 per cent equity interest

On 2 December 2015 Polo subscribed 90 million new ordinary shares in Hibiscus Petroleum Berhad (HIBI:MK) ("Hibiscus"), a Main Market of Bursa Malaysia Securities Berhad listed company for USD5.0 million. The holding represents a strategic 8.4 per cent stake in the enlarged fully paid capital of Hibiscus and was acquired at a price of MYR0.235 per share (settled in USD at an agreed rate of MYR/USD4.238), a 4.08 per cent discount to the Hibiscus closing price of MYR0.245 on 1 December 2015.

Hibiscus' strategy since listing on 25 July 2011 has been to invest in a balanced portfolio of assets across the spectrum of upstream oil and gas exploration and production activities with key focus on politically stable areas. Its current development assets are located in Australia with an estimated 8.0 million barrels (MMbbls) of 2P/2C reserves/resources, however, its asset base is set for a step-jump with the anticipated completion of two recently announced strategic acquisitions.

The first, announced on 6 August 2015, is an exciting opportunity that will elevate Hibiscus to the status of an oil producer through a joint venture agreement with Ping Petroleum Limited to each acquire 50 per cent of the entire interests of Shell UK Ltd, Shell EP Offshore Ventures Limited and Esso Exploration and Production UK Limited in the producing Anasuria Cluster ("Anasuria") oil and gas fields in the North Sea. Anasuria is currently producing at an average of over 7,000 barrels of oil per day net to Shell and Esso and has a 40.4 million stock tank barrels 2P Oil Reserves and 27.9 Billion Standard Cubic Feet 2P Gas Reserves together with potential for additional reserves through infill drilling. The acquisition remains subject to, amongst others, regulatory approvals and third party consents, including approvals from the UK government and

Hibiscus shareholders and is expected to complete in Q1 2016. Consideration payable by Hibiscus amounts to USD52.5 million of which USD4.0 million has been paid.

The second is acquisition of 100 per cent of Hydra Energy Holdings Pty Ltd ("Hydra") through the issue of new Hibiscus shares as announced by Hibiscus in November 2015. Hydra has equity interests in seven operated Petroleum Titles located in the Carnarvon Basin, offshore North West Australia with 4 having discoveries totalling 15 - 17 MMbbls net to Hydra and on completion of this transaction, Hibiscus' net 2P / 2C Australian oil resource base would increase from 8 MMbbls to 23 - 25 MMbbls. Importantly the Hydra acquisition also involves an independent and separate USD20.0 million financing facility that is at an advanced stage of discussion with Global Natural Resource Investments ("GNRI"), which is expected to cover existing operational commitments and also allow Hibiscus to explore new business opportunities. The Hydra acquisition remains subject to shareholder and regulatory approvals and satisfaction of conditions precedent amongst others. Consideration will be the fair market value of Hydra as determined by an independent and competent valuer to be satisfied by the issue of new Hibiscus shares at an issue price to be determined on the date the fair market value of Hydra is determined.

With the completion of the Hydra and Anasuria acquisitions, Hibiscus' global net 2P / 2C resource base would be circa 47 MMbbls.

Iron Ore and Vanadium

Ironstone Resources Limited

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

Ironstone Resources Ltd., headquartered in Calgary, Alberta, is progressing its Clear Hills iron and vanadium project, located in the Peace Region of North West Alberta. Featuring one of the world's largest NI 43-101 compliant iron-vanadium deposits, a poly-metallic resource, low impact open pit, quality infrastructure, top tier partners and local and institutional support, the Clear Hills Project stands apart from traditional iron concentrate producers.

Ironstone is focused on achieving several near-term key value creation milestones to position the company as an attractive investment for major strategic and institutional players. The company has continued to strengthen its Clear Hills Project through many initiatives, with some highlighted below:

HICS Process Commercial Scale-up

Hatch and Ironstone, in conjunction with Hazen Research, have completed its scaled and continuous testing of the HICS Process, a multi-stage direct reduction/iron segregation and vanadium extraction process,. With iron metallization in excess of 90 per cent, recoveries of over 80 per cent and significant reduction in phosphorous levels – Ironstone and Hatch have surpassed their early expectations, and are presently gearing up to conduct a 30-fold scaled-up pilot test on commercial scale equipment in the 2016, subject to meeting certain funding objectives.

Both Ironstone and Hatch are confident that this new breakthrough iron-making process, which is co-owned by Ironstone and Hatch, will attract interest from iron ore miners and steel-makers seeking to commercialize billions of tonnes of low-grade, high-phosphorous iron ores across the globe and are in discussions with several multi-national companies.

Vanadium Pentoxide Recovery

With demand now outstripping supply and new applications in grid-scale renewable energy storage batteries, developing new low-cost sources of vanadium are increasing in importance. The Clear Hills, containing over 1.4 billion pounds of vanadium pentoxide, represents one of the largest compliant resources of this "electric metal" in the world.

Vanadium pentoxide is a valuable by-product in the HICS Process on Clear Hills ore, and can be extracted from the waste stream using several commercial methods. Ironstone, in conjunction with Hatch and Hazen Research completed a number of concentration tests in late 2014 to determine the efficacy and economics of producing high quality vanadium for use in commercial steel and redox battery applications.

Clear Hills Mine Plan Completed

North American Coal, in an alliance with Ironstone, has recently developed and published Ironstone's preliminary Clear Hills 25-year mine plan.

This features a relatively low-cost open pit mine design for both the iron/vanadium ore and neighbouring lignite coal, with environmentally-friendly electric drag-lines for overburden removal and surface miners to strip the ore body. Rapid reclamation of the pit is expected to be undertaken as ongoing mining operations are conducted.

The mine plan will provide important input into Ironstone's PEA that is expected to be completed in Q4 2015. The PEA will be leveraged to attract a large strategic partner into the Clear Hills Project in addition to meeting the requirements for a potential public offering should market conditions improve in support of such an initiative.

Despite the very difficult operating environment, Ironstone's management successfully raised CAD1.04 million and Polo's interest in Ironstone increased to 18.8 per cent from 15.16 per cent previously following an additional investment by Polo of CAD101,000 and the operation of a price protection mechanism that applied for certain early stage investors including Polo. Ironstone is applying the proceeds raised towards reduction of debt and completing a SRK Consulting PEA, on its Clear Hills Project. Given the material fall in iron ore prices, Polo has written down its Ironstone investment by USD6.63 million.

Coal

GCM Resources Plc

- Coal Projects, Bangladesh
- 27.8 per cent equity interest

Polo maintains a 27.8 per cent equity interest in AIM listed GCM Resources Plc which is ready to develop a large scale mining Project based on a world class 572 million tonnes (JORC 2004 compliant) thermal and metallurgical coal deposit in energy-starved Bangladesh upon receipt of Bangladeshi Government approval and subject to financing. The Bangladesh Government has been focusing more on a multi-pronged approach to solving the country's energy and power problems, with a strong emphasis on coal fired power generation using both domestic coal production and imported coal. The debate on domestic coal has swung towards the Bangladesh Government endeavouring to do its own studies to reconfirm that the impacts of open pit coal mining are manageable. GCM has held discussions with the Bangladesh Government with the aim of closing any gaps in understanding regarding open coal mining and in particular its Project proposal.

Polo believes GCM remains well positioned to become a major domestic coal supplier for Bangladesh's power generation. Approval of its mine development plan will see the emergence of a substantial new operating business unit which will enable participation by Bangladesh investors and deliver benefits for all stakeholders, the most significant being the ability to support over 4,000MW of power generation.

In September 2015, GCM announced the successful conclusion of an examination by the UK National Contact Point ("NCP") on the Organisation for Economic Co-operation and Development ("OECD") guidelines for multinational enterprise programmes, into GCM's activities in Bangladesh in relation to the Phulbari project, whilst noting that GCM has an obligation to consider and manage the environment and social aspects throughout the project life cycle. This is an important step to ensure a mutually acceptable and equitable relationship can exist. Polo is pleased to note the Government's recent initiative to evaluate open pit mining in the northern area of its Barapukuria coal deposit located immediately north of the Phulbari proposed open pit coal mine. This is reflective of the fact that the domestic demand for coal in Bangladesh is set to rise notwithstanding the significant decline in global coal consumption.

In light of the significant fall in GCM's market capitalisation, the Company has recorded an impairment to the carrying value of its investment of USD24.8 million.

Financial Review

The purpose of this review is to provide a further analysis of the Group's consolidated 2015 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 USD61.2 million (2014: loss of USD19.1 million). This loss was significantly attributable to impairment of the Group's investments, including associates, with a total USD54.6 million written down against GCM Resources plc (AIM: GCM), Signet Petroleum Limited, Ironstone Resources Ltd and Equus Petroleum Plc, and a charge of USD3.5 million against the evaluation and exploration assets of its 90 per cent owned Nimini Gold project in Sierra Leone. It should be noted 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 beyond a single reporting year.

Basic loss per share for the year ended 30 June 2015 was USD22.09 cents (2014: basic loss per share of USD7.07 cents).

Focus sectors for our portfolio of investments in this reporting period centre largely on investments across the oil, gas, gold, copper and phosphate sectors. In the 2014/15 financial year, the Board has continued to support the on-going development of its key assets and acquired new investments.

In December 2014, Polo announced it had completed a subscription agreement with Weatherly International Plc ("Weatherly") (AIM: WTI), an AIM traded mining, development and exploration company focusing on copper in Namibia, to subscribe for 24,022,602 shares of 0.5 pence each at a price of 2.925 pence per share for a total cash consideration of some £1.6 million, bringing its total shareholding to 54,852,859 shares. This represented an interest of approximately 7.06 per cent in Weatherly's then enlarged issued share capital (subsequently diluted to 5.2 per cent following share issuances by Weatherly). In February 2015 Polo announced that it had allowed its right to subscribe for a further 51,984,748 Weatherly shares at a subscription price of 2.925 pence per share to lapse, unexercised.

Also in December 2014, Polo announced that following the closing of the underwritten renounceable entitlements offer (the "Offer") by Celamin Holdings NL ("Celamin") (ASX: CNL), Polo had subscribed for 300,000,000 new ordinary shares in Celamin under the Offer at AUD0.01 each (including 187,434,037 shares under its sub-underwriting commitment), bringing its total shareholding to 330,000,000 ordinary shares in Celamin. This represented an interest of approximately 33.23 per cent of Celamin's enlarged issued share capital, after allocation of sub-underwriting. Subject to Celamin shareholder approval, Polo was also entitled to options over a further 150,000,000 ordinary shares in Celamin exercisable at AUD0.02 each on, or before, 29 February 2016.

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, copper and oil 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 further decrease in Company administrative expenses to USD1.71 million (2014: USD2.07 million) or a reduction of some 17.4 per cent which is reflective of Polo's focus on prudent financial management and use of available resources during the current difficult economic environment, and will continue with this approach in the current year to 30 June 2016.

Financial Position

The Directors have reviewed the Group's budgets for 2016, 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 Group's cash balances. Additionally, the Directors have assessed the likelihood of future funding requirements. Based on these activities, the Directors are satisfied that the Group maintains a healthy 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.

As at 17 December 2015, the Group had a net position of cash, receivables and short term investments of USD22.30 million (30 June 2015: USD30.78 million). Listed and unlisted investments at marked to market value, cost and valuation amounted to USD53.61 million (30 June 2015: USD49.51 million). The combined total of cash, receivables, payables, listed and unlisted investments was USD73.05 million as of 17 December 2015 (30 June 2015: USD77.05 million) which is equivalent to a Net Asset value of approximately 16.09 pence per Polo share (30 June 2015: 17.70 pence per share).

Outlook

Polo continues to investigate potential investments and will allocate financial resources to 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 financial position. The Company will continue to keep shareholders advised as and when developments are confirmed.

Group Statement of Comprehensive Income
for the year ended 30 June 2015

	Year ended 30 June 2015 $ 000's	Year ended 30 June 2014 $ 000's
Gain/(loss) on sale of investments	**484**	(1,317)
Investment income	**134**	4,324
Reversal of (Provision) for loss on option	**-**	742
Impairment of AFS investments	**(9,127)**	-
Impairment of associates	**(45,495)**	-
Administrative & Exploration expenses	**(1,781)**	(2,149)
Share options expensed	**(290)**	(290)
Goodwill written off	**-**	(2,815)
Expensed exploration expensed	**(1,500)**	
Expensed exploration costs on disposal	**-**	(971)
Impairment of exploration and evaluation costs	**(2,000)**	(27,255)
Group operating (loss)	**(59,575)**	(29,731)
Share of associates results	**(1,902)**	10,423
Finance revenue	**140**	196
Other income	**156**	-
(Loss) before taxation	**(61,181)**	(19,112)
Income tax expense	**-**	-
Retained (loss) for the year	**(61,181)**	(19,112)
Other comprehensive income		
(Loss) on market value revaluation of available for sale investments	**(5,544)**	(3,142)
Currency translation differences	**(165)**	354
Other comprehensive income for the year net of taxation	**(5,709)**	(2,788)
Total comprehensive income for the year	**(66,890)**	(21,900)
Retained (loss) for the year attributable to:		
Equity holders of the parent	**(60,824)**	(16,280)
Non-controlling interests	**(357)**	(2,832)
	(61,181)	(19,112)
Total comprehensive income for the year attributable to:		
Equity holders of the parent	**(66,533)**	(19,008)
Non-controlling interests	**(357)**	(2,832)
	(66,890)	(21,900)
(Loss) per share (US cents)		
Basic	**(22.09)**	(7.07)
Diluted	**(20.50)**	(6.55)

Group Statement of Financial Position
as at 30 June 2015

	30 June 2015		30 June 2014	
	$ 000's	**$ 000's**	$ 000's	$ 000's
ASSETS				
Non-current assets				
Intangible assets	**-**		-	
Tangible assets	**17,844**		19,802	
Interest in associates	**14,591**		59,462	
Available for sale investments	**17,079**		24,743	
Trade and other receivables	**3,472**		3,342	
Total non-current assets		**52,986**		107,349
Current assets				
Trade and other receivables	**1,007**		273	
Available for sale investments	**4,755**		9,284	
Cash and cash equivalents	**21,550**		30,583	
Total current assets		**27,312**		40,140
TOTAL ASSETS		**80,298**		147,489
LIABILITIES				
Current liabilities				
Trade and other payables	**(3,250)**		(3,841)	
TOTAL LIABILITIES		**(3,250)**		(3,841)
NET ASSETS		**77,048**		143,648
EQUITY				
Equity contribution	**303,059**		303,059	
Retained earnings	**(239,834)**		(179,010)	
Available for sale investment reserve	**(4,723)**		821	
Foreign exchange reserve	**17,848**		18,013	
Share based payments reserve	**2,413**		2,123	
		78,763		145,006
Non-controlling interest		**(1,715)**		(1,358)
TOTAL EQUITY		**77,048**		143,648

These financial statements were approved by the Board of Directors on 18 December 2015 and signed on its behalf by:

Datuk Michael Tang
EXECUTIVE CHAIRMAN

Kian Meng Cheah
NON-EXECUTIVE DIRECTOR

Group Statement of Cash Flows for the year ended 30 June 2015

	Year ended 30 June 2015 $ 000's	Year ended 30 June 2014 $ 000's
Cash flows from operating activities		
Operating (loss)	**(59,575)**	(29,731)
(Increase) in trade and other receivables	**(734)**	(104)
(Decrease) in trade and other payables	**(591)**	(1,628)
(Increase)/decrease in available for sale investments	**(5,488)**	(9,149)
Foreign exchange loss/(gain)	**1**	(50)
Share options expensed	**290**	290
(Reversal of) provision for loss on option	**-**	(742)
Impairment of AFS investments	**9,127**	-
Impairment of associates	**45,495**	-
Goodwill written-off	**-**	2,815
Loss on sale of PPE	**30**	-
Depreciation & impairment	**2,016**	28,226
Net cash (out)flow from operating activities	**(9,429)**	(10,073)
Cash flows from investing activities		
Finance revenue	**140**	63
Other income	**156**	-
Taxation paid	**-**	-
Net receipts for investments in associates	**-**	21,180
Receipts/(Payments) from/to sale/purchase of tangible assets	**86**	(3,838)
Loan (advanced)/repayments to/from third party	**(130)**	1,404
Net cash inflow from investing activities	**252**	18,809
Cash flows from financing activities		
Issue of ordinary share capital	**-**	-
Net cash inflow from financing activities	**-**	-
Net (decrease)/increase in cash and cash equivalents	**(9,177)**	8,736
Cash and cash equivalents at beginning of year	**30,583**	21,890
Exchange gain/(loss) on cash and cash equivalents	**144**	(43)
Cash and cash equivalents at end of year	**21,550**	30,583

Group Statement of Changes in Equity
for the year ended 30 June 2015

	Equity contribution	Available for sale investment reserve	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total	Non-controlling interest	Total equity
Group	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
As at 1 July 2013	**301,210**	**3,963**	**17,659**	**1,833**	**(162,730)**	**161,935**	**1,474**	**163,409**
(Loss) for the year	-	-	-	-	(16,280)	**(16,280)**	**(2,832)**	**(19,112)**
(Loss) on market value revaluation of available for sale investments	-	(3,142)	-	-	-	**(3,142)**	-	**(3,142)**
Currency translation differences	-	-	354	-	-	**354**	-	**354**
Total comprehensive income	-	**(3,142)**	**354**	-	**(16,280)**	**(19,008)**	**(2,832)**	**(21,900)**
Share based payments	-	-	-	290	-	**290**	-	**290**
Shares issued	1,849	-	-	-		**1,849**	-	**1,849**
Total contributions by and distributions to owners of the Company	1,849	-	-	290	-	**2,139**	-	**2,139**
As at 30 June 2014	**303,059**	**821**	**18,013**	**2,123**	**(179,010)**	**145,006**	**(1,358)**	**143,648**
(Loss) for the year	-	-	-	-	(60,824)	**(60,824)**	**(357)**	**(61,181)**
(Loss) on market value revaluation of available for sale investments	-	(5,544)	-	-	-	**(5,544)**	-	**(5,544)**
Currency translation differences	-	-	(165)	-	-	**(165)**	-	**(165)**
Total comprehensive income	-	**(5,544)**	**(165)**	-	**(60,824)**	**(66,533)**	**(357)**	**(66,890)**
Share based payments	-	-	-	290	-	**290**	-	**290**
Shares issued	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	-	-	290	-	**290**	-	**290**
As at 30 June 2015	**303,059**	**(4,723)**	**17,848**	**2,413**	**(239,834)**	**78,763**	**(1,715)**	**77,048**

The audited financial information for the years ended 30 June 2015 and 30 June 2014 contained in this document do not constitute statutory accounts as defined in the BVI Business Companies Act 2004. The comparative financial information is based on the statutory accounts for the financial year ended 30 June 2014. Those accounts, upon which the auditors issued an unqualified opinion, are available on the Company's website. The financial information for the year ended 30 June 2015 has been extracted from the financial statements of Polo Resources Ltd which will be available on the Company's website in due course. The auditors have issued an unqualified opinion on the Group's statutory financial statements for the year ended 30 June 2015. The preliminary announcement was approved by the Board of Directors on 18 December 2015.