

28 May 2014



POLO RESOURCES LIMITED

("Polo" or the "Company")

POLO INCREASES INTEREST IN BLACKHAM RESOURCES

Polo Resources Limited (AIM: POL), the natural resources investment company with interests in gold, oil and gas, coal, iron ore and phosphate, is pleased to announce an agreement to increase its interest in Blackham Resources Limited ("Blackham") (ASX: BLK), an Australian gold exploration company listed on the Australian Stock Exchange.

Polo has agreed to subscribe for 49 per cent of the enlarged capital of Perfectus Management Limited ("Perfectus"), which in turn owns 15,888,495 ordinary shares (or 15 per cent) of Blackham's issued fully paid ordinary share capital. In consideration the Company will pay AUD 1 million in cash and AUD 2 million by way of issuing and allotting 7,317,564 new ordinary shares at an agreed price of 15 pence per share to Perfectus, an 18 per cent premium to Polo's closing share price on 27 May 2014. The new shares will represent 2.64 per cent of Polo's enlarged issued share capital. Upon completion, Polo's undiluted interest in Blackham will increase from its current direct holding of 4.2 per cent to a combined direct and indirect holding of 11.85 per cent.

In addition, the Company has the right to purchase a further 49 per cent of Perfectus within the next two years for AUD 3 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. Exercise of the option would increase Polo's interest in Blackham's current issued share capital to approximately 19.2 per cent. As part of the agreement 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 AUD 4.5 million, representing a premium of at least 50 per cent to Polo's headline entry price.

Application will be made for the 7,317,564 new ordinary shares, which rank pari passu with Polo's existing issued ordinary shares, to be admitted to trading on AIM. Admission is expected to become effective on, or around, 2 June 2014, following which Polo Resources' enlarged issued share capital will amount to 276,940,309 ordinary shares.

Michael Tang, Executive Chairman, commented:

"Our increased interest in Blackham demonstrates our confidence in the potential of its gold exploration assets and of its management to generate strong shareholder returns."

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Notes to Editors

Blackham is a near-term gold producer with a substantial prospective exploration package with a combined host JORC Resource of 40 Mt at an average grade of 3.3 grammes per tonne gold for 4.3 million ounces. Blackham recently announced exceptional drilling results in respect its Galaxy deposit which indicate high-grade mineralisation at shallow depths. Further details may be seen at www.asx.com.au/asxpdf/20140512/pdf/42pkp5q84g0kw6.pdf

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, 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 2013 Annual Report for the period ending 30 June 2013, which may be found on the Company's website at profile on www.poloresources.com.