

Polo Resources

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

INVESTMENT IN JOINT VENTURE IN COLOMBIA

Polo Resources Limited (AIM and TSX: POL) is pleased to announce that it has completed an investment of approximately US\$4 million in the gold exploration company Andina Gold Corp. ("**Andina**"), a company incorporated and registered in the British Virgin Islands.

Polo has subscribed for 15,898,784 new ordinary shares in Andina at a price of US\$0.244, constituting 31.8 per cent. of its issued shares (the "**Subscription**").

Concurrent with the Subscription, Andina issued 3,750,000 new ordinary shares (in respect of cornerstone finance) for US\$506,250 (at US\$0.135 per share) and a further 5,351,215 shares for US\$1,364,560 (at US\$0.255 per share) to third party investors (the "**Placing**") who have granted a power of attorney to Polo to act as their proxy as Polo sees fit in respect of the affairs of the company. Parties related to Stephen Dattels, Neil Herbert, Guy Elliott and Jim Mellon, directors of Polo subscribed for, in aggregate, 1,996,038 (at US\$0.255 per share) new ordinary shares representing approximately 4 per cent. of Andina's issued shares.

The proceeds of the Subscription and the Placing were used by Andina to acquire a 100 per cent. interest in a greenfield gold exploration project in Colombia (the "**San Bolivar Gold Project**") from R&C Group SAS ("**R&C**") and other parties. As consideration for the acquisition the vendors received US\$3,750,000 in cash and R&C was granted 25,000,000 new ordinary shares in Andina (representing 50 per cent. of its issued shares), with the balance of the Subscription being used for working capital purposes.

Andina shareholders have executed a shareholders' agreement setting out how the parties will operate the San Bolivar Gold Project. Each of Polo and R&C will have two director representatives on Andina's board of four directors and one of Polo's directors will act as Chairman. Polo has also been appointed as Operator of the exploration phase.

Additionally, under the terms of the shareholders agreement all of the shareholders of Andina (with the exception of R&C) take on an historic liability of approximately US\$2,900,000 in relation to the San Bolivar Gold Project. This liability will be financed by the non-R&C parties and R&C is protected from dilution should further equity be issued. 50 per cent. of the liability is due for payment in February 2012, with the balance due by August 2012.

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 Columbia 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 during 2009 approximately 47.8 tons of gold, a figure that is expected to rise.

Polo is currently in the process of finalising its proposed exploration program which it will present to the Board of Directors of Andina in the next 4-6 weeks.

Neil L. Herbert, Executive Co-Chairman and Managing Director of Polo commented:

"The San Bolivar Gold Project is another exciting investment by Polo Resources in South America. Working together with Andina's management and R&C Group, Polo will lead the

exploration efforts of the company in Columbia in order to deliver shareholder value. This represents a large and highly prospective area for gold in Columbia. We look forward to exciting results from Andina's exploration programme."

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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.

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