



**Polo Resources Limited**  
(“Polo”, “Polo Resources” or the “Company”)

**EXECUTION OF LOAN AGREEMENT REGARDING PROPOSED COKING COAL  
JOINT VENTURE IN INDONESIA**

**AGREEMENT REGARDING IRON ORE OPPORTUNITIES IN INDONESIA**

Polo Resources Limited (AIM and TSX: POL), the mining and exploration investment company with interests in coal and iron ore, is pleased to announce that it has executed two loan agreements with partners in Indonesia for the procurement of coking coal and iron ore opportunities in the country in anticipation of possible joint venture arrangements should suitable projects be identified.

**Agreement regarding proposed Coking Coal Joint Venture**

Further to its announcement on 3 March 2011, the Company has executed a binding convertible loan agreement (“**Coking Coal Loan Agreement**”) with Polo IndoCoal Holdings Limited (“**Polo IndoCoal**”), a company incorporated in the British Virgin Islands.

Under the terms of the Coking Coal Loan Agreement, Polo has agreed to advance up to US\$3 million in the form of a convertible loan (“**Loan**”) to Polo IndoCoal to fund due diligence and related project development costs in respect of coking coal opportunities in Indonesia. The due diligence and project development is being led by Polo’s partner in Indonesia, Earth Coal Resources Limited (“**EarthCoal**”).

The Loan is available to be drawn down in several tranches (each tranche requiring the approval of Polo) and the outstanding loan sum drawn down at any time (the “**Outstanding Loan Sum**”) shall bear no interest. Save with the consent of Polo, the undrawn balance of the Loan shall cease to be available from 31 December 2011 with the drawn down balance at that time being converted or, if no progress has been made, written off.

The Loan can be drawn down immediately in several tranches and is repayable only with the consent in writing of Polo. At any time while the Loan is outstanding, Polo may elect to convert the Outstanding Loan Sum to shares in Polo IndoCoal representing 60 per cent. of its issued shares (save that on such election Polo shall advance the balance of the Loan not drawn down).

Under the terms of the Coking Coal Loan Agreement Polo IndoCoal has been granted a right of first refusal should EarthCoal wish to pursue any coking coal project in Indonesia further following completion of their due diligence.

**Agreement regarding proposed Iron Ore Joint Venture**

In addition to the Coking Coal Loan Agreement the Company is also pleased to announce that it has agreed identical terms with Earth Investment Group Pte. Ltd. (“**Earth Investment Group**”) for a convertible loan agreement (“**Iron Ore Loan Agreement**”) with Polo Indolron Holdings Limited (“**Polo Indolron**”), a company incorporated in the British Virgin Islands.

Under the terms of the Iron Ore Loan Agreement, Polo has again agreed to advance up to US\$3 million in the form of a convertible loan to Polo Indolron to fund due diligence and

related project development costs in respect of iron ore opportunities in Indonesia. The due diligence and project development in relation to the potential iron ore projects is to be led by Earth Investment Group.

All terms of the Iron Ore Loan Agreement are the same as for the Coking Coal Loan Agreement, including in particular: (i) Polo's right to convert the loan into shares of Polo Indolron representing 60 per cent. of its issued share capital on a fully diluted basis at any time; and (ii) a right of first refusal in favour of Polo Indolron should Earth Investment Group wish to pursue any iron ore project in Indonesia further following completion of their due diligence.

### **Further Information regarding EarthCoal and Earth Investment Group**

Polo's partners in Indonesia, EarthCoal and Earth Investment Group (together, the "**Earth Group**"), are international private investment firms specializing in developing economies, namely in Asia, and Latin America.

The Earth Group is currently reviewing a number of potential coking coal and iron ore investment opportunities in Indonesia.

### **Further details regarding Polo IndoCoal**

Polo IndoCoal's shareholders comprise the geology, corporate finance and management team of Polo IndoCoal as agreed by the parties (who together in aggregate are interested in 50 per cent. of the issued share capital of Polo IndoCoal) and EarthCoal and its nominees who are also interested in, in aggregate, 50 per cent. of the issued share capital of Polo IndoCoal. At Polo's election, the Convertible Loan can be converted into a 60 per cent. stake in Polo IndoCoal on a fully diluted basis.

### **Further details regarding Polo Indolron**

Polo Indolron's shareholders comprise the geology, corporate finance and management team of Polo Indolron as agreed by the parties (who together in aggregate are interested in 50 per cent. of the issued share capital of Polo Indolron) and Earth Investment Group and its nominees who are also interested in, in aggregate, 50 per cent. of the issued share capital of Polo Indolron. At Polo's election, the Convertible Loan can be converted into a 60 per cent. stake in Polo Indolron on a fully diluted basis.

### **Management of Polo IndoCoal and Polo Indolron**

Polo IndoCoal and Polo Indolron shall both operate under management services agreements with the Earth Group.

Mr. John Benitz, a director of the Earth Group is the Chairman of Polo IndoCoal and Polo Indolron. Mr. Peter Ong, a director of Earth Group, is Deputy Chairman and President Director of Polo IndoCoal and Polo Indolron.

Stephen Dattels and Neil Herbert have each been appointed to the board of directors of Polo IndoCoal and Polo Indolron (in each case as Co-Chairman and Executive Vice-President respectively), and have, together with management, been granted options over in aggregate 8 per cent. of the issued shares of both companies, subject to vesting and performance criteria.

### **Neil Herbert, Executive Co-Chairman and Managing Director of Polo Resources, stated:**

"The Board of Directors of Polo Resources is pleased to have reached agreement with the Earth Group regarding the joint appraisal, acquisition and development of coking coal and iron ore projects in Indonesia.

We view Earth Group as an important strategic partner for Polo. Indonesia represents a growing focus for us and we look forward to developing both Polo IndoCoal and Polo Indolron. We look forward to working with Earth Group.”

**John Benitz, Chairman, Polo IndoCoal and Polo Indolron, stated:**

“Polo Resources, and its leadership team’s experience and track record in the international mining and natural resources arena is tremendous. We are very excited to work together with Stephen Dattels, Neil Herbert and their team. Indonesia is a compelling economy with strong macro-fundamentals, and our team on the ground, together with Polo, positions us well to take advantage of coking coal and iron ore projects in the country”.

**Contacts:**

**Polo Resources Limited**

Neil Herbert, *Executive Co-Chairman*  
+ 27 82 404 36 37

**CanaccordGenuity Limited**

Andrew Chubb / Bhavesh Patel  
+ 44 (0) 20 7050 6500

**Toronto**

James McVicar  
HeenanBlaikie LLP  
+1 416 643 6903

**Blythe Weigh Communications**

Tim Blythe  
Ana Ribeiro  
Matthew Neal  
+44 (0) 20 7 138 3204

**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](http://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.

**ENDS**