



7 October 2009

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

## **Erds Coal Project – JORC Compliant Maiden Resource Statement**

### ***Total Indicated and Inferred resource estimate of 807 million tonnes thermal coal***

Polo Resources (PRL), the AIM listed mining company with uranium and coal interests in Africa, Australia, Europe and Asia, is pleased to announce a maiden JORC compliant resource estimate for the Erds coal project in Mongolia, operated by its recently established 50:50 joint venture with Peabody Energy Corporation (NYSE:BTU) ("Peabody"). The joint venture was formed to hold all of Polo's coal and mineral interests in Mongolia. The joint venture has 54 licenses throughout the South Gobi and elsewhere in Mongolia which are currently being explored for coal.

The Erds Coal Project adjoins a tenement to the west owned by Gulfside Minerals Ltd who recently announced NI 43-101 compliant resources of 1,185 million tonnes of thermal coal at the Onjuul coal deposit. Polo, through its joint venture company with Peabody Energy, also has tenements (Altanshiree) immediately south of the Gulfside resource and adjoins the Erds resource to the east. The geology of the coal basin, combined with the large thicknesses of coal reported at Onjuul and Erds, strongly indicates that additional coal resources will be discovered at Altanshiree. Drilling is due to commence there this coming month.

The Erds coal project is located in the sub province of Altanshiree of the Dornogovi province. The project is approximately 430km south-east of Ulaanbaatar. It is close to rail and power infrastructure and is around 140km from the border of China. The deposit style for the project is a rift basin, which coincides with the Jurassic–Cretaceous intracontinental rift evolution. Deposits in the project area are hosted in the Huhteg Formation, which contains thick coal seams. The area has undergone a series of exploration campaigns and the results indicate potential for large scale, multi bench, and open-cut operations.

Micromine designed a resource development programme in order to collect sufficient data of a high enough standard to allow a JORC compliant resource estimate, which was subsequently conducted in May 2009. The programme delivered an estimate for the total Indicated and Inferred resource of 807 million tonnes of thermal coal.

The resource estimation process included performing quality checks on the geological and assay information and modelling coal seam morphology, moisture, ash, volatiles, fixed carbon, sulphur, relative density and specific energy on an air-dried basis. Resource estimation was based on modelling of morphology of the seams by gridding, followed by interpolation of coal quality data and categorisation of resources based upon points of observation.

Boreholes drilled in the 2009 exploration campaign were cored from near surface and all boreholes were geophysically logged to check coal depths and thickness in situ. Coal seam continuity was interpreted from cross sections and nine major seam groups identified with further

subdivision into 60 plies. The resource estimate excludes weathered coal (typically 12 to 28 metres below surface) and resources outside the tenement boundary.

Total indicated and inferred rounded resources are estimated as follows:

**Table 1: Classified total Resource, air-dried basis.**

Class	Volume m <sup>3</sup>	Tonnes t	RD t/m <sup>3</sup>	ASH %	CV kcal/kg	IM %	VM %	FC %	S %
Indicated	162,955,539	254,000,000	1.56	26.13	3,658.65	19.26	29.71	24.9	1.33
Inferred	356,869,903	553,000,000	1.55	24.95	3,734.28	19.24	29.7	26.11	1.27
Total	519,825,442	807,000,000	1.55	25.32	3710.46	19.25	29.70	25.73	1.29

Analytical work shows that the low rank Erds coal can be classified as “Lignite A” according to the ASTM classification system, or a “Brown Coal” in the Australian classification system. The test work to date suggests the coal would be suitable for mine mouth feedstock for local coal fired power generation.

From a 10kg composite sample for detail testing, indications are that the coal is suitable for power generation with a favourable Hardgrove Index, but high sulphur (1.86%) and moderate ash fusion temperatures (1,150 to 1,300 degrees C).

The geotechnical parameters of the deposit need further assessment. Preliminary observations show sediments overlying the coal have weak rock strength, which may place constraints on potential future pit designs. However, defect spacing and bedding plane shears do not appear to be an issue based on the core logging observations. Overall the Erds coal deposit has very good potential for development into a large scale mine with a low strip ratio, producing a low rank thermal coal product.

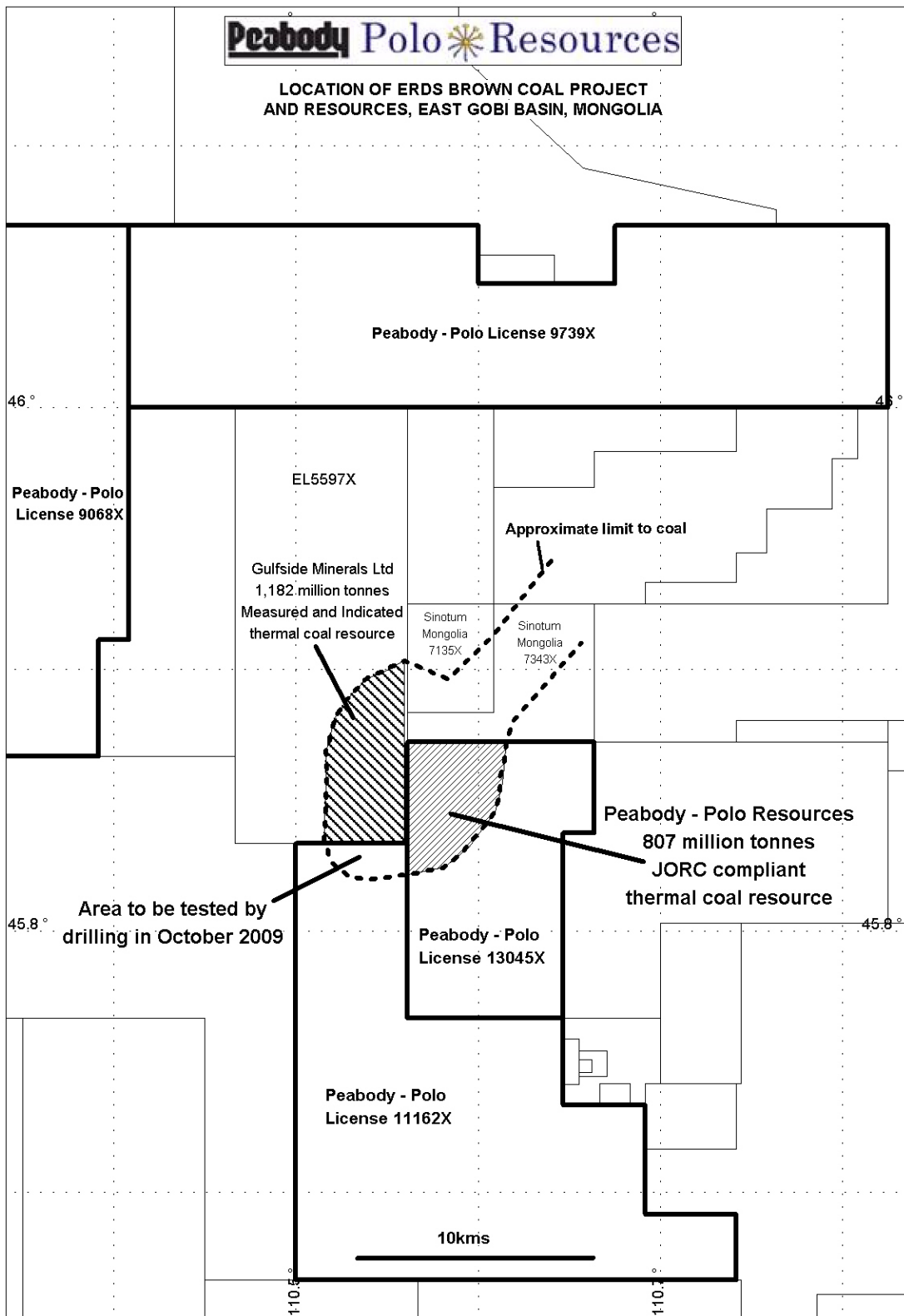
**Neil Herbert, Managing Director of Polo Resources, said:**

“The Erds coal deposit has very good potential for development into a large scale mine with a low strip ratio, producing a low rank thermal coal product for power stations. The project is close to the existing rail network and approximately 140km from the Chinese border. With additional licenses in the area the JV has further potential to expand the resource.”

The full report can be viewed on Polo Resources’ website at [www.poloresources.com](http://www.poloresources.com).



LOCATION OF ERDS BROWN COAL PROJECT  
AND RESOURCES, EAST GOBI BASIN, MONGOLIA



Peabody - Polo License 9739X

46°

46°

Peabody - Polo License 9068X

EL5597X

Approximate limit to coal

Gulfside Minerals Ltd  
1,182 million tonnes  
Measured and Indicated  
thermal coal resource

Sinotum  
Mongolia  
7135X

Sinotum  
Mongolia  
7343X

45.8°

Area to be tested by  
drilling in October 2009

Peabody - Polo License 13045X

Peabody - Polo Resources  
807 million tonnes  
JORC compliant  
thermal coal resource

45.8°

Peabody - Polo License 11162X

10kms

110.4°

110.1°

The JV also completed a preliminary exploration programme on a number of its South Gobi licenses during the season now ending but there were no new significant findings to report.

- Ends -

*The information contained in this announcement has been reviewed by Mr. Paul Ingram, CEO, Australia & Director of Polo, P.Geo, AIMM, MICA, BSc Geo. Mr. Ingram has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Qualified Person for the purposes of this announcement.*

#### **Contacts:**

**Polo Resources Limited**  
Neil Herbert, *Managing Director*

+ 27 82 404 36 37

**Canaccord Adams Limited**  
Mike Jones / Ryan Gaffney

+ 44 (0) 20 7050 6500

**Financial Dynamics**  
Ben Brewerton / Ed Westropp

+ 44 (0) 20 7831 3113

#### **Glossary**

Air-dried basis	An analysis expressed on the basis of a coal sample that has been dried in the laboratory until the moisture content is in approximate equilibrium with the surrounding atmosphere.
ASTM	American Society for Testing and Materials
JORC	The Australasian Joint Ore Reserves Committee, responsible for the creation of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code).
Inferred Resource	that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a low level of confidence. It is inferred from geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered.

Indicated Resource	that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a reasonable level of confidence. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed
Jurassic-Cretaceous	Jurassic and Cretaceous are the two consecutive geologic time periods that extend from 200 Ma (million years ago) to 65 Ma.
Ash	Inorganic residue left after the coal is burnt.
CV	Calorific Value is the quantity of heat produced when a unit weight of coal burns. Calorific value is measured in British thermal units per pound or kilocalories per kilogram.
IM	Inherent Moisture is the moisture that is left in the coal after drying in the laboratory at ambient temperature and pressure.
VM	Volatile Matter is the percentage of coal which is lost as gases (mostly hydrocarbons and not including water) when coal is incinerated under standard conditions.
FC	Fixed Carbon is the carbon left in the coal after volatile compounds are driven off.
S	Sulphur is one of the inorganic elements found in coal.
RD	Relative Density is the density of a rock in relation to water, which has a density of 1.00 grams per cubic centimetre or 1.00 metric tonnes per cubic metre.

### **About the Company**

Polo is an emerging energy company focused on acquiring and developing advanced stage uranium and coal properties. For complete details on Polo Resources Limited, management encourages investors and interested parties to view its public documents filed on AIM Exchange at [www.poloresources.com](http://www.poloresources.com).

### **About Peabody**

Peabody is the world's largest private-sector coal company. Its coal products fuel approximately 10 percent of all U.S. electricity generation and 2 percent of worldwide electricity. [www.peabodyenergy.com](http://www.peabodyenergy.com)

### **CAUTIONARY STATEMENT**

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