

For immediate release

29 July, 2008



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

**Ereen Mine Update**

**Ereen Road Construction ahead of schedule**

Polo Resources (AIM:PRL), the natural resources investment and mining company, is pleased to announce that its Ereen open pit mine is due to come onto production in October 2008 and the construction of the new road from the mine to the Erdenet Rail Loading Facility in northern Mongolia, is ahead of schedule.

Production is expected to commence mid October at the rate of around 100,000 tonnes per month.

The 32 kilometre main haulage road is 30% complete and is being constructed to an all-weather standard. It is anticipated that the road will be completed by mid October, ahead of schedule. Haulage of coal to Erdenet is expected to commence on completion at the rate of 100,000 tonnes per month.

Polo has also signed an agreement with Sojitz, a major coal trader, to review offtakes of coal from Ereen and Union Coal Projects. Ereen coal is in high demand due to its high calorific value (>6500 kcal/kg air dried) for use as a high end thermal igniter coal at Chinese power stations.

Neil Herbert, Deputy Chairman said:

"We are pleased to report that construction of the main haulage road is ahead of schedule. This all-weather road will enable the efficient and rapid transfer of coal from minesite to rail loading facility and then on to our off-take partners. Sale prices for this coal are high and will allow Polo to make significant returns on the small capex investment it has made.

"The Ereen project allows Polo to get valuable experience of mining in the region before we reach the development stage of our much larger coal projects in the South Gobi Coal Basin."

**- Ends -**

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**About the Company**

Polo Resources (AIM:PRL) ([www.poloresources.com](http://www.poloresources.com)) is focused on the development of its coal projects in Mongolia where it holds a substantial license areas with known coal occurrences, all in close proximity to either railway networks or borders with coal importing countries.

The Company plans to start first production at its Ereen Coal Mine in 2008 and has several drill and exploration programmes ongoing to evaluate its other license areas in the South (South Gobi Coal Basin) and East of Mongolia. Polo Resources also has a significant license area with uranium occurrences which is currently subject to an exploration programme.

Polo is currently evaluating a restart of production at the Union Mine and SRK Consulting has been engaged to model the coal resources and assist in the design of an open-pit mine.

Other ongoing exploration includes the Hud Project in the South Gobi Coal Basin, Mongolia and the Erdentsogt Coal Project in the Dornogovi Coal Basin in south eastern Mongolia. Polo holds a total of 46 coal licenses in major coal districts covering 726,011 ha, all in close proximity to either railway networks or borders with coal importing countries.

Polo Resources also holds strategic interests of approximately 29.80% of the issued share capital of GCM Resources plc (AIM:GCM) ([www.gcmplc.com](http://www.gcmplc.com)) and approximately 25.60% of the issued share capital of Caledon Resources plc (AIM:CDN; ASX:CCD) ([www.caledonresources.com](http://www.caledonresources.com)). GCM Resources plc is developing a coal mine and power plant project in Bangladesh and Caledon Resources plc has an operating coal mine in western Australia.

#### **CAUTIONARY STATEMENT**

The AIM Exchange 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 Resources Limited. There can be no assurance that such statements will prove to be accurate. 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.