

13 March 2013



**POLO RESOURCES LIMITED**

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

**Unaudited Interim Results for the six months ended 31 December 2012**

Polo Resources Limited (AIM and TSX: POL), the natural resources exploration investment company with interests in gold, oil and gas, coal and iron ore, today announces results for the six months ended 31 December 2012.

**Highlights**

- Net Asset Value per share at 8 March 2013 is 36.2 pence per share at close of business and 36.2 pence per share at 31 December 2012.\*
- Nimini Mining Limited was awarded a large-scale Mining Licence in November 2012, for an initial 25-year period. That Licence covers the whole area (100 square kilometres) formerly held under the Nimini East and West exploration licences.
- Nimini is currently investing in a drilling programme, with particular emphasis on the delineation of strike extensions of the Komahun deposit to the north-east and south-west.
- Polo acquired in excess of 10 million Signet Petroleum Limited ("Signet") shares in return for new shares in Polo Resources, increasing the Company's interest in Signet to 48.21 per cent. Polo holds the option to subscribe for an additional 2.225 million Signet shares and a two-year warrant over an additional 1.43 million shares. Should these options be exercised, Polo's interest in Signet would rise to 54.9 per cent.
- Signet is exploring a number of oil and gas concessions in Africa, and has processed and interpreted the relevant 2D seismic data over its Namibian acreage (Block 2914B). The initial interpretation of the Namibian data has identified a potentially major structure, which will now become the focus of intensive study and evaluation.
- First Energy Capital Corp. has been appointed by Signet to assess strategic alternatives for Mnazi Bay and to seek farm-in partners for the company's blocks in Namibia and Benin.
- Polo reports net cash and short-term investments totalled US\$42.5 million at 31 December 2012 and US\$34.56 million at close of business at 8 March 2013, to fund future investments, which Polo continues actively to review.
- Polo reports US\$5.0 million write-down in investment in Canadian iron ore explorer Ironstone Resources Limited.
- Post the period end, following the approval of its shareholders at its Annual General Meeting, every 10 existing ordinary shares as at 5.00 p.m. on 6 February 2013 was consolidated into one new ordinary share of no par value ("New Ordinary Share").

\* The 31<sup>st</sup> December 2012 figures are based on the post consolidation shares in issue.

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

“In the six months to 31 December 2012, significant progress has been made across Polo’s investment portfolio.”

“Nimini’s further exploration of the Komahun Gold Project is encouraging. Plinian Capital Limited’s excellent management of Nimini has led to the award of an Environmental Licence, a large-scale Mining Licence and the completion of exploratory drilling programmes that suggest the extension of the mineralisation of the gold deposit at Komahun.”

“Signet has also made significant progress. The company’s recent identification of a potentially major structure in Namibia, exploration progress in Tanzania and the award of an exploration block in offshore Sierra Leone, demonstrates the value of Signet to Polo’s portfolio. Our recent purchase of further shares in Signet underlines our confidence in its projects and potential.”

“The developments of the last six months have further bolstered our confidence in Polo’s strategy to deliver returns to shareholders through the continued development of current projects and the review of new investment opportunities. We are looking forward to the developments over the next six months.”

For further information, please contact:

**Polo Resources Limited** +27 787 312 919

Ian Burns, Finance Director

**Investec** +44 (0) 20 7597 5970

Neil Elliot, George Price, Mark Wellesley-Wood

**Liberum Capital** +44 (0) 20 3100 2228

Chris Bowman, Tim Graham

**Blythe Weigh Communications** +44 (0) 207 138 3204

Tim Blythe, Robert Kellner, Kawthar Badda

**Toronto** +1 416 367 6459

Borden Ladner Gervais LLP

Jeffery Barnes, Habeeb Syed

**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 recognisable 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.

## EXECUTIVE CO-CHAIRMEN'S STATEMENT

Management's decision to reposition the Company's commodity exposure towards the more resilient gold and oil and gas sectors increased in pace during the six months under review. This was achieved through the acquisition of in excess of 10 million Signet shares, increasing Polo's interest in the African oil and gas exploration company to 48.21 per cent. and through additional investment in the Nimini gold project in Sierra Leone. These strategic investments have transformed Polo's portfolio. The Board believes that the asset development activities achieved in the reporting period (outlined below) underline the potential of both Signet and Nimini to deliver substantial near and longer-term value to shareholders.

### Gold

#### Nimini Holdings Limited

Polo has a 90 per cent. interest in Nimini, which holds the Nimini Mining Licence and the Matotoka exploration licence through its two Sierra Leone subsidiaries.

Nimini was awarded a large-scale Mining Licence by the Ministry of Mines and Mineral Resources for an initial 25 year period, effective from 9 November 2012. This is subsequent to the grant of an Environmental Licence on 10 August 2012. The 100 square kilometre Mining Licence area includes the Komahun Gold Project, which has a NI 43-101 compliant Indicated Mineral Resource of 3.528 million tonnes at a gold grade of 4.59 g/t (521,000 ounces gold) and an Inferred Mineral Resource of 2.248 million tonnes at a gold grade of 3.64 g/t (263,000 ounces gold), according to the SGS Canada Inc. estimate (as set out in the Technical Report on the Nimini Project, dated 3 August 2012 and based on data as at 20 February 2012).

Nimini's second gold project, Matotoka, is located in the Tonkolili region of Sierra Leone, and approximately seven kilometres to the northwest of Amara Mining plc's Baomahun gold deposit.

More than 70,000 metres of exploration drilling has been conducted on the Nimini Mining Licence area to date and drilling undertaken in the six months under review provided further encouraging exploration results. In September 2012 Polo announced initial results from the 20,000-metre strike and depth drilling programme at Komahun, which commenced in May 2012. Results included hole NWKD276, which intersected 5.45 metres at a grade of 31.12 g/t gold from 314.9 metres and hole NWKD273, which intersected 2.55 metres at a grade of 22.32 g/t from 175.25 metres.

On-going exploration in the latter months of 2012 focused on the extension of the maximum depth of the current resource base by some 150 metres to approximately 650 metres below surface and on strike extensions to the north-east. On 5 December 2012 Nimini announced a new nomenclature for the Komahun Deposit, encompassing the former 'Main Zone' and strike extension mineralisation that had been delineated through exploration. The deposit has been segmented into Block 1, the former Main Zone, which is some 440 metres in strike length; Block 2, which is some 360 metres in strike length; and Block 3, the newly discovered strike extension towards the eastern boundary of the Mining Licence, which has a potential strike extent of 430 metres. Intersections reported in the release dated 5 December 2012 included 15.81 g/t over 5.00 metres from 154.50 metres in hole NWKD312, identified as part of the maiden drill programme in Block 3 that confirms strike extent of mineralisation to the east of previously identified mineralisation, and 15.18 g/t over 12.85 metres from 339.70 metres in hole NWKD296A in Block 1.

Having reviewed the results of all drilling on Komahun to date, Nimini is investing in an additional short-term drilling programme. This new programme targets areas for which further information is required to better define the resource and places particular emphasis on the north-eastern and south-western strike extensions of the Komahun deposit. Having commenced in January 2013, the programme is scheduled for completion at the end of March 2013.

Following receipt of all the assays from this new programme, Nimini plans to publish an updated global Mineral Resource Estimate ("MRE") by the end of Q2, 2013.

A decision on progressing to a Preliminary Economic Assessment ("PEA") will be made following publication of the MRE.

Induced Polarisation ("IP") geophysical surveys were commenced on the Mining Licence in late January 2013. Test lines over the "known" geology of the Komahun deposit have proved sufficiently encouraging such that

surveys are now being conducted over the strike extensions to the north-east and south-west and over the Southern Structure. This will not only assist to guide the balance of the current drill programme, but also the proposed regional programme beyond the boundaries of the Komahun deposit. A regional programme is expected to be undertaken over the coming months with the objective of defining drill targets for testing during the subsequent dry period.

Previous exploration on the Matotoka licence has yielded promising results from soil sampling, pitting and trenching and a number of combined geophysical and geochemical anomalies have been identified. Having gained confidence in the application of IP at Nimini, it is proposed to apply this technology to a similar setting in the southern area of the licence where a versatile time domain electromagnetic survey anomaly has been previously identified. The objective will be to define drill targets for subsequent testing.

### **Qualified Person and Technical Report**

The technical information contained in this announcement relating to Nimini has been reviewed and approved by Dr Brendan Clarke, the Head of Geology at The MSA Group. Dr Brendan Clarke is a Member of the Geological Society of South Africa and a Professional Natural Scientist (Pr.Sci.Nat) registered with the South African Council for Natural Scientific Professions. Dr Clarke has sufficient experience relevant to the style of mineralisation under consideration and to the activities which are being reported, to qualify as a Qualified Person for the purposes of this announcement. For complete disclosure of the Nimini resource estimate, refer to the Technical Report prepared in compliance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects and filed on SEDAR at [www.sedar.com](http://www.sedar.com) on 6 August 2012.

### **Oil and Gas**

#### **Signet Petroleum Limited**

The investment in Signet Petroleum Limited (“Signet”) is part of Polo’s strategy to increase its exposure to the oil and gas sector. Signet, an independent oil and gas exploration company, is focused on acquiring and developing high impact exploration assets in Africa. Highly prospective assets have been acquired in Namibia, Sierra Leone, Tanzania, Burundi and Benin, and extensive exploration and seismic analysis is ongoing.

The Board believes that the Company’s present interest in Signet, together with the opportunities offered by the existing options and warrants that would give Polo a majority share in the company, offers strong upside potential in a company with substantial exposure to the developing African oil and gas sector.

#### *Namibia*

Signet undertook the processing and interpretation of exploratory data covering the company’s Block 2914, offshore Namibia. This data was acquired by an exploratory programme, which Spectrum ASA and Seabird Exploration Norway AS operated.

The initial review has identified a potentially major structure (“Prospect A”), located approximately 90 kilometres to the west-south-west of the nearby Kudu gas field operated by Tullow Oil plc. Whilst this interpretation is at an early stage, initial estimates suggest that the structure may have an area of approximately 30 kilometres by 25 kilometres.

The next steps will be to further interpret the data and conclude Signet’s interpretation of Prospect A, in particular. Following the completion of this work, Signet intends to commission an independent resources report from an international engineering firm in 2013.

Further evaluation and de-risking of Prospect A and others identified in the block will involve the acquisition of 3D seismic and exploration drilling for which Signet intends either to raise equity finance or seek a farm-in partner.

Signet holds a 75 per cent. stake in, and is operator of, Block 2917B under a Petroleum Agreement signed with the Government of the Republic of Namibia.

### *Sierra Leone*

In Q3 2012, Signet was selected by the Petroleum Directorate of Sierra Leone as one of two winning bidders for Block SL-7A-10 offshore Sierra Leone following the 2012 bid round.

Following negotiations with the other winning bidder, Minexco Petroleum, Signet was awarded a 10 per cent. participating interest in the block. Minexco Petroleum has agreed to carry Signet for its share of the signature bonus and exploration programme up to and including the first exploration well.

### *Tanzania – Mnazi Bay North*

In June 2012, Signet completed a 100 square kilometre survey over the Mnazi Bay North Block, offshore Tanzania. Initial interpretation of the data is consistent with Signet's opinion that there is a substantial extension of the BG Group/Ophir Energy plc Chaza 1 gas discovery drilled near the boundary line between the BG Group/Ophir Energy plc and Signet blocks.

Signet has commissioned an independent technical and commercial evaluation by UK engineering consultancy Challenge Energy Limited.

### *Burundi – Block C and Lake Tanganyika Democratic Republic of Congo*

Refurbishment of the vessel, the Tanganyika Explorer, in partnership with Surestream Petroleum, continues as do preparations for the acquisition of proprietary survey data in Burundi and the 10,000 kilometre multi-client seismic programme in the Democratic Republic of Congo, on the western side of the Lake. Signet expects the vessel to commence acquisition in April 2013. Signet is also discussing partnership and marketing models with major international seismic companies. In November 2012 Signet launched the marketing of the multi-client project at the Africa Oil Week conference in Cape Town.

### *Benin – Block 3*

Signet has a 90 per cent. working interest and is operator of Block 3 offshore Benin. Recent work has focused on a review of the existing seismic and other technical data for the block and surrounding areas.

Signet has appointed First Energy Capital Corp. to assess strategic alternatives for Mnazi Bay and to seek farm-in partners for the company's high impact blocks in Namibia and Benin.

Polo has a 48.21 per cent. interest in Signet Petroleum. Polo holds the option to subscribe for an additional 2.225 million Signet shares and a two-year warrant over an additional 1.43 million shares. Should these options be exercised, Polo's interest in Signet would rise to 54.9 per cent.

### **Regalis Petroleum Limited**

Polo has acquired an 8.32 per cent. interest in Regalis Petroleum Limited ("Regalis"), which is focused on the acquisition and exploration of high impact oil and gas assets in Africa. This investment strengthens Polo's exposure to the emerging African oil and gas exploration sector.

Regalis has acquired a 70 per cent. operating interest in Block 2813B, offshore Namibia, where 2D seismic data has recently been acquired and is currently being interpreted. Regalis, which also has other advanced-stage opportunities in sub-Saharan Africa, is well capitalised to build a strong exploration footprint across the continent.

### **Equus Petroleum plc**

Polo invested US\$2.6 million in Equus Petroleum plc ("Equus"), a recently formed Kazakhstan energy and petroleum company that operates large-scale oil and gas exploration and production activities in Central Kazakhstan through its Kazakh subsidiary Kumkol Trans Service LLP ("KTS"). The Equus investment gives Polo a presence in the near-term producing oil and gas sector and offers good potential for value creation over the short- and medium terms. Polo currently has a 1.95 per cent. interest in Equus.

Equus is developing the Sarybulak oilfield, located within its 498 square kilometre licence in the prolific oil producing South Turguay Basin. Sarybulak has been under Test Production, as defined in the Sarybulak production sharing contract, since 2008, with all production being sold into the domestic market. Equus is

constructing oil gathering and processing facilities, gas handling facilities and drilling sufficient wells to fully develop the Sarybulak field. Once the Test Phase is completed in early 2013, the company intends to submit applications for Production and Export licences.

## **Coal**

### **GCM Resources plc**

Polo has a 29.8 per cent interest in GCM Resources plc ("GCM"), the coal exploration and development company that is developing the Phulbari Coal Project (the "Project") in Bangladesh. The Project is a substantial coal resource with potential to support a long life, low cost mining operation and is the only such deposit in Bangladesh that has been subjected to a full Feasibility Study, including an Environmental and Social Impact Assessment prepared to international standards. The Project has the potential to produce high quality export grade coal at competitive average stripping ratios and low operating costs, for an initial estimated 35 year mine life.

GCM has intensified efforts to gain approval for the 572 million tonne (JORC compliant) project through further engagement with the Government and local community and has formally requested a meeting with Prime Minister Sheikh Hasina, in her capacity as Minister for Power, Energy and Natural Resources to discuss the Project and the benefits for Bangladesh. Recently GCM also entered into an agreement with Mettiz Capital Limited to advise the company on the development of the Project. Mettiz Capital is a Malaysian-based investment company with significant experience in infrastructure development in the Asia region.

## **Iron Ore**

### **Ironstone Resources Limited**

In December 2010, Polo made a CAD\$8 million investment in Ironstone Resources Limited ("Ironstone"), a private Canadian company that owns the Clear Hills Iron Ore/Vanadium Project in Alberta, Canada. Polo currently has a 15.70 per cent interest in Ironstone.

After three successful drilling campaigns to bring the Clear Hills iron and vanadium resource into NI 43-101 compliance, Ironstone is focused on completing its process flowsheet work in partnership with Hatch Engineering (Toronto, ON). The processing of the oolitic ironstones has been scaled from laboratory tests to recently completed continuous bench-top pilot testing at Hazen Research (Golden, CO). The Hazen results exceeded expectations, with high-purity metallic iron created. Preliminary analytical results support the deportment of deleterious elements into the gangue with high iron recoveries.

Ironstone is presently raising funds to support a major pre-commercial processing pilot campaign at FL Schmidt (Bethlehem, PA). A Preliminary Economic Assessment or Preliminary Feasibility Study is expected to follow. Conditional to the raising of funds, this work is planned for the last half of 2013 and into Q1 2014.

## **Summary**

At close of business on 8<sup>th</sup> March 2013, Polo had a Net Asset Value per share of 36.2 pence and net cash and short-term investments of US\$34.56 million.

The progress made by Polo in the last six months has bolstered the ability of the Company's investment portfolio to deliver value upside and an improved outlook in the near and longer term.

Management's decision to re-focus the Company's portfolio towards gold and oil and gas has exposed Polo to commodities with strong price fundamentals for the foreseeable future. Further investment in Nimini and Signet, which formed the cornerstone of the Company's re-aligned strategy, offers near and long term potential to add value to Polo's portfolio, as both companies develop their prospective exploration and development projects.

With both Nimini and Signet working to build upon the development progress made in this last six months, the Polo portfolio as a whole continuing to offer upside potential and geographic and commodity diversity, and other investment opportunities being reviewed, Polo is well placed to deliver further value to its shareholder base.

**POLO RESOURCES LIMITED**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2012**

	6 months ended 31 December 2012	6 months ended 31 December 2011	Year ended 30 June 2012 (audited)
Note	(unaudited) \$ 000's	(unaudited) \$ 000's	\$ 000's
Gains/(losses) on sale of investments	780	(1,645)	(5,944)
Gains on sale of associates	-	18,816	18,827
Investment income	18	40	254
Administrative & expenses	(1,605)	(4,738)	(7,065)
Share options expensed	(664)	(398)	(882)
Currency exchange (losses)/gains	(6)	2	8,367
Impairment of investment in joint venture	-	(2,213)	(3,914)
Impairment in investment	(5,000)	-	-
<b>Operating (loss)/profit</b>	<b>(6,477)</b>	<b>9,864</b>	<b>9,643</b>
Share of joint venture results	-	(123)	(150)
Share of associates results	(2,833)	(1,224)	(2,844)
Other income	195	-	-
Finance revenue	349	221	665
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(8,766)</b>	<b>8,738</b>	<b>7,314</b>
Income tax expense	-	-	(160)
<b>(Loss)/profit for the financial period</b>	<b>(8,766)</b>	<b>8,378</b>	<b>7,154</b>
<b>Attributable to:</b>			
Equity holders of the parent	<b>(8,766)</b>	<b>8,738</b>	<b>7,164</b>
Non-controlling interests	-	-	<b>(10)</b>
	<b>(8,766)</b>	<b>8,738</b>	<b>7,154</b>
<b>Earnings per share:</b>	<b>2</b>		
<b>Basic earnings per share (US cents)</b>	<b>(0.38)</b>	<b>0.38</b>	<b>0.31</b>
<b>Diluted earnings per share (US cents)</b>	<b>(0.35)</b>	<b>0.37</b>	<b>0.30</b>

**POLO RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2012**

---

	<b>6 months ended 31 December 2012 (unaudited) \$ 000's</b>	<b>6 months ended 31 December 2011 (unaudited) \$ 000's</b>	<b>Year ended 30 June 2012 (audited) \$ 000's</b>
<b>(Loss)/profit for the period</b>	(8,766)	8,738	7,154
Gains/(losses) on revaluation of available for sale investments	1,252	(6,317)	(5,510)
Transfer to income statement of available for sale investments	104	1,833	240
Currency translation differences	482	(1,218)	(13,541)
<b>Other comprehensive income / (loss) for the year net of taxation</b>	1,838	(5,702)	(18,811)
<b>Total comprehensive (loss) / income</b>	<b>(6,928)</b>	<b>3,036</b>	<b>(11,657)</b>



**POLO RESOURCES LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	Note	31 December 2012 (unaudited) \$ 000's	31 December 2011 (unaudited) \$ 000's	30 June 2012 (audited) \$ 000's
<b>Non-current assets</b>				
Intangible assets- licences and exploration costs		37,073	18,084	24,989
Tangible assets		7	13	15
Interest in joint venture		-	1,600	-
Interest in associates	3	68,993	35,775	56,106
Trade and other receivables			-	2,500
Available for sale investments	4	15,262	25,625	17,518
<b>Total non-current assets</b>		<b>121,335</b>	<b>81,097</b>	<b>101,128</b>
<b>Current assets</b>				
Trade and other receivables		3,388	27	2,007
Available for sale investments	4	13,253	23,722	10,809
Cash and cash equivalents		26,897	62,256	42,017
<b>Total current assets</b>		<b>43,538</b>	<b>86,005</b>	<b>54,833</b>
<b>Total Assets</b>		<b>164,873</b>	<b>167,102</b>	<b>155,961</b>
<b>Current Liabilities</b>				
Trade and other payables		(4,774)	(3,738)	(5,317)
<b>Total Liabilities</b>		<b>(4,774)</b>	<b>(3,738)</b>	<b>(5,317)</b>
<b>Net Assets</b>		<b>160,099</b>	<b>163,364</b>	<b>150,644</b>
<b>Shareholders' equity</b>				
Share capital		-	-	-
Share premium		301,210	285,486	285,491
Share based payment reserve		1,978	998	1,314
Foreign exchange reserve		16,790	28,273	15,646
Available for sale investments reserve		(6,026)	(6,243)	(6,729)
Retained earnings		(155,332)	(145,150)	(146,557)
Minority interest		1,479	-	1,479
<b>Total Equity</b>		<b>160,099</b>	<b>163,364</b>	<b>150,644</b>

**POLO RESOURCES LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2012**

	<b>6 months ended 31 December 2012 (unaudited) \$ 000's</b>	<b>6 months ended 31 December 2011 (unaudited) \$ 000's</b>	<b>Year ended 30 June 2012 (audited) \$ 000's</b>
<b>Cash flows from operating activities</b>			
Operating (loss)/profit	(6,477)	9,864	9,643
Decrease/(increase) in trade and other receivables	1,119	401	(1,579)
(Decrease)/increase in trade and other payables	(543)	1,328	2,907
(Increase) in available for sale investments	(3,936)	(27,607)	(14,133)
Foreign exchange translation	6	(2)	(8,367)
Share options expensed	664	398	882
Impairment in investment	5,000	-	-
Impairment of investment in subsidiary	-	2,213	3,914
Gains on sale of available for sale associates	-	(18,816)	(18,827)
Depreciation	4	3	8
<b>Net cash (outflow) from operating activities</b>	<b>(4,163)</b>	<b>(32,218)</b>	<b>(25,552)</b>
<b>Cash flows from investing activities</b>			
Finance revenue	349	221	665
Other income	195	-	-
Taxation paid	-	-	(160)
Payments for intangible assets	(12,076)	(18,084)	(7,001)
Payments for tangible assets	-	(8)	-
Net receipts from investments in associates	-	138,317	121,449
Loan advanced to third party	-	-	(2,500)
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(11,532)</b>	<b>120,446</b>	<b>112,453</b>
<b>Acquisitions and disposals</b>			
Payments to acquire subsidiaries	-	-	(16,500)
Cash acquired on acquisition of subsidiary	-	-	2
<b>Net cash inflow from acquisitions and disposals</b>	<b>-</b>	<b>-</b>	<b>(16,498)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital	-	-	-
Dividends paid to company shareholders	-	(71,466)	(71,466)
<b>Net cash (outflow) from financing activities</b>	<b>-</b>	<b>(71,466)</b>	<b>(71,466)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(15,695)</b>	<b>16,762</b>	<b>(1,063)</b>
Cash and cash equivalents at beginning of period	42,017	45,796	45,796
Exchange gain/(loss) on cash and cash equivalents	575	(302)	(2,716)
<b>Cash and cash equivalents at end of period</b>	<b>26,897</b>	<b>62,256</b>	<b>42,017</b>

**POLO RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2012**

	Called up share capital	Share premium reserve	Foreign currency translation reserve	Available for sale investmen t reserve	Share based payment reserve	Retained earnings	Total	Non- Controlli ng Interest	Total equity
Group (audited)	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$000's	\$ 000's
<b>As at 1 July 2012</b>	-	285,491	15,646	(6,729)	1,314	(146,557)	149,165	1,479	150,644
(Loss) for the period	-	-	-	-	-	(8,766)	(8,766)	-	(8,766)
Gain on revaluation of available for sale investments	-	-	-	1,252	-	-	1,252	-	1,252
Transfer to income statement	-	-	-	104	-	-	104	-	104
Currency translation differences	-	-	1,135	(653)	-	-	482	-	482
<b>Total comprehensive income</b>	-	-	1,135	703	-	(8,766)	(6,928)	-	(6,928)
Share capital issued	-	15,719	-	-	-	-	15,719	-	15,719
Share based payments	-	-	-	-	664	-	664	-	664
<b>Total contributions by and distributions to owners of the Company</b>	-	15,719	-	-	664	-	16,383	-	16,383
<b>As at 31 December 2012</b>	-	301,210	16,781	(6,026)	1,978	(155,323)	158,620	1,479	160,099

	Called up share capital	Share premium reserve	Foreign currency translation reserve	Available for sale investment reserve	Share based payment reserve	Retained earnings	Total
Group (unaudited)	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
<b>As at 1 July 2011</b>	-	285,491	29,561	(1,833)	600	(82,423)	231,396
Profit for the period	-	-	-	-	-	8,738	8,738
Currency translation differences	-	(5)	(1,288)	74	-	1	(1,218)
Revaluation transfer	-	-	-	1,833	-	-	1,833
Gain on revaluation of available for sale investments	-	-	-	(6,317)	-	-	(6,317)
<b>Total comprehensive income</b>	-	(5)	(1,288)	(4,410)	-	8,739	3,036
Share options exercised	-	-	-	-	398	-	398
Dividend paid	-	-	-	-	-	(71,466)	(71,466)
<b>Total contributions by and distributions to owners of the Company</b>	-	-	-	-	398	(71,466)	(71,068)
<b>As at 31 December 2011</b>	-	285,486	28,273	(6,243)	998	(145,150)	163,364

**POLO RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (continued)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2012**

	Called up share capital	Share premium reserve	Foreign currency translati on reserve	Available for sale investmen t reserve	Share based payment reserve	Retained earnings	Total	Non- Controlli ng Interest	Total equity
Group (audited)	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$000's	\$ 000's
<b>As at 1 July 2011</b>	-	285,491	29,561	(1,833)	600	(82,423)	231,396		231,396
Profit for the period	-	-	-	-	-	7,164	7,164	(10)	7,154
(Loss) on revaluation of available for sale investments	-	-	-	(5,510)	-	-	(5,510)	-	(5,510)
Transfer to income statement	-	-	-	240	-	-	240	-	240
Currency translation differences	-	-	(13,915)	374	-	-	(13,541)	-	(13,541)
<b>Total comprehensive income</b>	-	285,491	(13,915)	(4,896)	-	7,164	(11,647)	(10)	(11,657)
Share capital issued	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	882	-	882	-	882
Share based payments	-	-	-	-	(168)	168	-	-	-
Dividend paid	-	-	-	-	-	(71,466)	(71,466)	-	(71,466)
<b>Total contributions by and distributions to owners of the Company</b>	-	285,491	-	-	714	(71,298)	(70,584)	-	(70,584)
Non- controlling interest arising in business combination	-	-	-	-	-	-	-	1,489	1,489
<b>As at 30 June 2012</b>	-	285,491	15,646	(6,729)	1,314	(146,557)	149,165	1,479	150,644

**POLO RESOURCES LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2012**

---

**1. Basis of preparation**

The consolidated financial statements have been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union ("IFRS") and those parts of the BVI Business Companies Act applicable to companies reporting under IFRS.

The financial information for the period ended 31 December 2012 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the year ended 30 June 2012. The figures for the year ended 30 June 2012 have been extracted from the accounts for the year ended 30 June 2012 which have been delivered to the AIM Market operated by the London Stock Exchange, and contain an unqualified audit report.

The financial information contained in this document does not constitute statutory financial statements. In the opinion of the directors the financial information for this period fairly presents the financial position, results of operations and cash flows for this period.

**Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union with the exception of International Accounting Standard ('IAS') 34 – Interim Financial Reporting. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements and should be read in conjunction with the Group's 2012 annual financial statements.

**Basis of consolidation**

The consolidated financial statements comprise the financial statements of Polo Resources Limited and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions have been eliminated in full.

**Foreign currencies**

*(a) Functional and presentation currency*

The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The Group's presentational currency is US Dollars (\$).

*(b) Group companies*

The results and financial position of all the group entities are translated into the presentation currency as follows:

- Assets, liabilities and equity for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

*(c) Rates of exchange*

Rates of exchange to US\$1 were as follows:

	<b>As at 31 December 2012</b>	<b>Average for the 6 months to 31 December 2012</b>	<b>As at 30 June 2012</b>	<b>Average for the period to 30 June 2012</b>
Pound Sterling	0.6185	0.6279	0.6403	0.6312
Australian Dollar (A\$)	0.9640	0.9627	0.9841	0.9693

**POLO RESOURCES LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2012**

**2. Earnings per share**

The calculation of earnings per share is based on the profit / (loss) after taxation divided by the pre consolidation\* weighted average number of shares in issue during the period:

	<b>6 Months ended 31 December 2012 (unaudited)</b>	<b>6 Months ended 31 December 2011 (unaudited)</b>	<b>Year ended 30 June 2012 (audited)</b>
Net (loss)/profit after taxation (\$000's)	(8,766)	8,738	7,154
Weighted average number of ordinary shares used in calculating basic earnings per share (millions)	2,321.02	2,294.09	2,294.09
Basic earnings/(loss) per share (expressed in US cents)	(0.38)	0.38	0.31
Weighted average number of ordinary shares used in calculating fully diluted earnings per share (millions)	2,476.02	2,361.59	2,383.63
Diluted earnings/(loss) per share (expressed in US cents)	(0.38)*	0.37	0.30

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares, namely share options. For share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average period market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

\*As the inclusion of the potential ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive and, as such, a diluted loss per share is not calculated in the period of loss.

\*\*On 6 February 2013, the Company completed a 10 to 1 consolidation of its share capital resulting in 269,622,745 shares in issue.

**POLO RESOURCES LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2012**

**3. Interest in associates**

	<u>2012</u>
	\$ 000's
<b>Group</b>	
At beginning of the period	56,106
Investment in associates – equity purchases	15,719
Share of associates loss for the period	(2,833)
Currency translation differences	1
<b>As at 31 December 2012</b>	<u>68,993</u>

The breakdown of the carrying values and fair values at the balance sheet date of the Group's interest in listed associates is as follows:

<b>Non-current assets</b>	<b>Carrying Value</b>	<b>Fair Value</b>
	\$ 000's	\$ 000's
GCM Resources plc – interest in equity shares	29,452	7,376
Signet Petroleum Limited	39,541	39,541
	<u>68,993</u>	<u>46,917</u>

Subsequent to 31 December 2012 the market value of the investment in associates has decreased to US\$6.6 million as at 8th March 2013.

Details of the Group associates at 31 December 2012 are as follows:

<b>Name</b>	<b>Place of Incorporation</b>	<b>Proportion held</b>	<b>Date associate interest acquired</b>	<b>Reporting Date of associate</b>	<b>Principal activities</b>
GCM Resources plc	UK	29.80%	01/02/08	30/06/12	Coal Exploration
Signet Petroleum Limited	BVI	48.21%	27/12/12	30/06/12	Oil and Gas

**POLO RESOURCES LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2012**

---

**4. Available for sale investments**

<b>Group – Listed &amp; Unlisted Investments</b>	<b>\$ 000's</b>
At 1 July 2012	28,327
Acquired during the period	6,802
Disposals during the period	(3,234)
Realised gains on disposals	780
Currency translation differences	(516)
Impairment provision – unlisted investment	(5,000)
Transfer from equity reserve	104
Movement in market value	1,252
<b>At 31 December 2012</b>	<b>28,515</b>

**The available for sale investments splits are as below;**

<b>Non-current assets – listed</b>	<b>449</b>
<b>Non-current assets – unlisted</b>	<b>14,813</b>
<b>Current assets – listed</b>	<b>12,857</b>
<b>Current assets – unlisted</b>	<b>396</b>
	<b>28,515</b>

Available for sale investments comprise investments in unlisted and listed securities (which are traded on regulated stock markets), and which are held by the Group as a mix of strategic and short term investments.

**5. Financial information**

The financial information set out above does not constitute the Group's statutory accounts for the period ended 30 June 2012, but is derived from those accounts. Statutory accounts for the period have been delivered to the shareholders, and the auditors made an unqualified report thereon.

A copy of this interim financial report is available on the Company's website: [www.poloresources.com](http://www.poloresources.com)



## Corporate Information

**Registered number** 1406187 registered in British Virgin Islands

**Directors** Stephen Dattels – Executive Co-Chairman  
Neil Herbert – Executive Co-Chairman  
Ian Burns – Finance Director  
Guy Elliott - Senior Non Executive Director  
Ian Stalker – Non Executive Director  
Bryan Smith - Non Executive Director  
James Mellon – Non Executive Director

**Registered Office** Craigmuir Chambers  
Road Town, Tortola  
British Virgin Islands VG 1110  
  
Email: info@poloresources.com  
Website: www.poloresources.com

**Auditors** Chapman Davis LLP  
2 Chapel Court  
London SE1 1HH  
United Kingdom

**Nominated Advisor and Joint Broker** Investec Bank Plc  
2 Gresham Street  
London EC2V 7QP  
United Kingdom

**Joint Broker** Liberum Capital Limited  
Ropemaker Place, Level 12  
25 Ropemaker Street  
London EC2Y 9LY  
United Kingdom

**Principal Bankers** HSBC Bank Plc  
PO Box 14  
St. Helier  
Jersey JE4 8NJ  
Channel Islands

**Depository** Computershare Investor Services Plc  
PO Box 82, The Pavillions  
Bridgwater Road  
Bristol BS99 6ZY  
United Kingdom

**Solicitors to the Company as to English Law**  
Kerman & Co LLP  
200 Strand  
London WC2R 1DJ  
United Kingdom

**Solicitors to the Company as to Canadian Law**  
Borden Ladner Gervais LLP  
Scotia Plaza  
40 King Street West,  
Toronto, ON M5H 3YA  
Canada

**Solicitors to the Company as to BVI Law**  
Harney Westwood & Riegels LLP  
Third Floor, 7 Ludgate Broadway  
London EC4V 6DX  
United Kingdom

**Registrars** Computershare Investor Services (Jersey) Limited  
Queensway House  
Hilgrove Street, St Helier  
Jersey JE1 1ES  
Channel Islands

Computershare Investor Services  
100 University Ave  
9th Floor, North Tower  
Toronto, Ontario M5J 2Y1  
Canada