

24 March 2010

**Polo Resources Ltd**  
("Polo", "Polo Resources" or the "Company")

**Interim Results for the 6 Months Ended 31 December 2009**

Polo Resources (AIM: PRL), the mining company with coal and uranium interests in Africa, Australasia and Asia, announces results for the six months ended 31 December 2009.

**Highlights:**

**Strategic Investments**

- Strategic interest of 9.30% in Extract Resources Ltd currently valued at US\$169.4million\*
- Strategic interest of 26.12% in Caledon Resources plc currently valued at US\$38 million\*
- Polo also holds US\$10.8 million Caledon Resources 8.5% Convertible Loan Notes
- Strategic interest of 29.83% in GCM Resources plc currently valued at US\$32.5 million\*
- BMO Capital Markets has been appointed to evaluate strategic options for the Company's investment in Extract

**Mongolian Coal Operations**

- In October 2009 Micromine Consulting evaluated the results of the drilling on the Erds licence area and defined a NI 43-101 compliant resource estimated at 254 Mt in the Indicated category and at 553 Mt in the Inferred category

**Financial Highlights**

- Operating profit of US\$6.8 million for 6 month period to 31 December 2009.
- Working capital of US\$29.2 million as at 31 December 2009.
- Net-cash balances of US\$10 million at 31 December 2009 and US\$27 million at 19 March 2010.
- The Company has no debt borrowings.
- Intention to dual list on the Toronto Stock Exchange ("TSX") announced post period end.

**Neil Herbert, Managing Director, said:**

"This has been a period in which Polo has accelerated its development and earnings potential in the near term and has seen significant growth in the market value of its investments. We are reviewing the various options open to us to maximise best value from these investments over time.

"As at 19 March 2010 Polo had a net cash position of US\$27 million and listed investments of US\$250 million, equivalent to 6.43p per Polo share.

"Post period end we have also announced our intention to dual list on the TSX, to take advantage of the mining investment expertise contained within the Canadian capital markets, as we seek to increase the shareholder value."

\* Based on the closing prices on 19 March 2010

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## **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.

## Managing Director's Statement

I am pleased to announce the Interim Results for the six months ended 31 December 2009. It has been a period of development for the business and one in which Polo has utilised the wealth of experience and expertise of its management team to accelerate development and earning potential in the near term. I am pleased to report that the results of this strategy have been extremely encouraging with significant growth in the market value of these timely investments and, in so doing, establishing the Company as a significant presence in this sector.

### Financial Position

The Group recorded a profit on ordinary activities of US\$6.8 million for the period under review.

During the course of the period, Polo increased its stake in Extract Resources Ltd while successfully realising several investments in junior listed companies at a net gain of US\$14 million. During the six months ended 31 December 2009, available for sale investments achieved an increase in value of US\$37 million. The results further support the Board's decision to refocus its strategy and build a diversified portfolio of mineral assets which the Board considers as offering substantial growth potential.

As of 19 March 2010 Polo had a net cash position of US\$27 million and listed investments of US\$250 million. The combined value of cash and listed investments at 19 March 2010 was US\$277.7 million, equivalent to 6.43p per Polo share.

### ***Peabody - Polo Resources Mongolian Coal Operations***

In May 2009, Polo entered into a 50-50 joint venture for its projects in Mongolia with Peabody Energy Corporation (NYSE: BTU), the world's largest private-sector coal company, empowered to manage and develop the joint venture projects.

#### *Erds Coal Project*

In October 2009 Micromine Consulting evaluated the results of the drilling for Polo and defined a NI 43-101 compliant resource estimated at 254 Mt in the Indicated category and at 553 Mt in the Inferred category.

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 Mt of thermal coal at the Onjuul coal deposit. The strip ratio is low and the coal is lignite (brown coal), a low rank thermal coal suitable for power generation. 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.

The project is approximately 430km south-east of the capital city, Ulaanbaatar. It is close to rail and power infrastructure and is around 260km from the nearest border crossing into 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 Huhteeg 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.

#### *Union Thermal Coal Project (Central Mongolia)*

The Union coal project is located in Central Mongolia only 130km south of Ulaanbaatar. The project is located only 14km from a rail siding where coal is currently being loaded to supply Ulaanbaatar's three power stations (~5Mt/year). Micromine Consulting evaluated the results of the drilling for Polo and defined a NI 43-101 compliant resource of 94.7 Mt Measured and Indicated and 38.4 Mt Inferred categories of coal.

The main coal seam at Union is up to 80m thick, crops out at surface and results of drilling indicate potential for large scale, multi bench, open pit mining with low strip ratios. The size and quality of the resources within the JV's licences at Union have the potential of supporting a significant size coal or gas fired power station for more than 20 years, supplying coal and electricity to domestic and Chinese markets.

The JV is currently talking with adjacent licence holders looking at combining resources to enhance the project.

### *South Gobi Coal Projects*

The South Gobi Basin hosts some of the largest coking and thermal coal deposits in close proximity to China e.g. Tavan Tolgoi more than 5 Bt, Ovoot Tolgoi more than 390 Mt. Peabody-Polo hold thirty coal licences in the South Gobi totaling 5,617 squares kilometres in area.

In 2008 and 2009 drilling and exploration work conducted on six of the licences, identified coal seams that require further drilling to determine the full extent and size of the coal resources. Extensive seismic (40km), induced polarisation (140km) and magnetic (240km) geophysics surveys completed in the last quarter of 2009 have identified numerous targets that require drilling in the 2010 field season.

### ***Caledon Resources plc***

Polo currently holds a 26.12% interest in Caledon Resources plc ("Caledon"), the Australian coking coal producer and explorer listed on AIM and the ASX. Caledon's main assets are the Cook Mine in the Bowen Basin, in Queensland, Australia which has a JORC compliant resource of 406 Mt, and the Minyango Project, which has JORC compliant resources of 342 Mt.

The Cook Mine achieved a production level of 485,000 tonnes of coal in 2009. Forecast saleable production for 2010 is scheduled to be greater than 700,000 tonnes.

The outlook for the coking coal market is increasingly encouraging as China has increased its imports to a level that has effectively replaced the demand lost from more traditional Asian and European markets during the recession. Indian demand is also proving to be resilient and continues to grow. Given this change in outlook, Caledon is currently implementing plans to increase production whilst maintaining tight cost controls. A key component of this plan is the move to a more balanced mix of primary development and lower cost secondary extraction. The impact of this will enable production and sales to exceed 700,000 tonnes in 2010.

In February 2010 Caledon announced a private placement of £4.2 million nominal 8.5% unsecured convertible loan notes due 2013, each with a par value of GBP50,000 (the "Loan Notes"), to certain existing shareholders and other investors. The Loan Notes have a conversion price of 47.5p per Ordinary Share and are substantially the same form as the existing unsecured convertible loan notes of the company due 2010 ("2010 Loan Notes"). The proceeds of the Placement will be used, inter alia, to provide additional working capital.

As a result of Polo's participation in the Placing (being a nominal amount of £2.5 million), Polo holds in aggregate US\$10.8 million Caledon Resources 8.5% Convertible notes and 54,985,196 Ordinary Shares representing 26.12% of the Ordinary Issued Share Capital.

### ***GCM Resources plc***

Polo holds a 29.83% interest in GCM Resources plc ("GCM") (AIM:GCM), a London-based resource exploration company with operations in Bangladesh. Its Phulbari Coal Project is poised for development once the Government of Bangladesh provides approval.

GCM has established a world class coal resource of 572 million tonnes (JORC compliant) near the town of Phulbari in North West Bangladesh. The growing domestic market and proximity to expanding

Asian markets adds to the Project's competitive advantage and economic sustainability. High quality thermal coal represents 63% of the resource with low ash metallurgical coal, also known as semi-soft coking coal making up 21%.

The cumulative coal seam thickness varies between 20-65 metres at depths between 165-270 metres and 99% of the open cut mining reserve is contained in two close thick coal seams separated by a five metre band of sediments. The average strip ratio of 7.4 bcm per recoverable coal tonne is highly competitive.

Polo believes that the likelihood of the project receiving Government approval in the mid-term has improved following recent positive developments in Bangladesh.

The Phulbari deposit is conducive to a long life, low cost mining operation. The production cost will be in the lowest quartile of industry cost curves for both thermal coal and semi-soft coking coal. Substantial initial investment relating to equipment costs, site preparation, box cut development, and initial resettlement and other community programmes will take place over a three year period leading up to the commencement of commercial coal production. The ramp up to saleable coal production of 15 million tonnes per annum will take a further five years.

The combination of high quality export grade coal, a large coal resource, thick seams, highly competitive average stripping ratio, low operating costs, a project life of over 30 years and easy access to domestic and international markets make Phulbari a world class coal project.

We look forward to the Project receiving approval from the Government of Bangladesh and proceeding into the development phase.

### ***Extract Resources Limited ("Extract")***

#### *Husab Project – Rossing South*

Work on Extract's Rossing South prospect continues to make progress with feasibility studies to advance towards mine development.

Preliminary high level estimates indicate the potential for a 15 Mtpa operation producing 14.8 Mlb U3O8 per year over a +20 year mine life.

The current resource estimate for the Rossing South prospect is as follows:

Zone 1: Resource of 145 Mlbs U3O8 @ 449 ppm

Zone 2: Resource of 122 Mlbs U3O8 @ 543 ppm

Exploration drilling has further identified a new zone of mineralisation south of Zone 2 on the western limb of the Rossing South antiform. Significant results from this area include: drill hole R3RC001, from 157-212m, 55m at 1,474 ppm U3O8 and in drill hole R3RC002, from 104-157, 53m at 1,616 ppm U3O8. This geological position has only been sparsely tested and there remains significant scope for additional mineralisation.

Uranium mineralisation remains open along strike to the south and down dip to the east with future drilling expected to increase both the resource size and confidence levels.

Based on the considerable and ongoing exploration success at Rossing South a new Exploration Target has been defined of between 185 to 285 Mlbs U3O8 (ASX release 26 October 2009). This figure is an addition to the substantial resource base that has already been defined at Zone 1 and Zone 2.

Extract continues to increase the exploration team on site to process chips and core from the additional drill rigs and to accelerate field work.

## **Outlook**

Trading since the period end has continued well. We believe our strategic investments continue to deliver significant value to our shareholders and we constantly monitor other opportunities that would add to this.

As announced on 9 March 2010, it is our intention to dual list the Company's ordinary shares on the TSX, to access the significant capital resources contained there and take advantage of the mining expertise contained within the Canadian capital markets.

Neil Herbert

Managing Director  
24 March 2010

**POLO RESOURCES LTD**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

|   |          | 6 months ended<br>31 December<br>2009<br>(unaudited)<br>\$ 000's | 6 months ended<br>31 December<br>2008<br>(unaudited)<br>\$ 000's | Year ended 30<br>June 2009<br>(audited)<br>\$ 000's |
|---|----------|--|--|---|
| Exploration costs   |          | -  | (2,161)  | (8,012)   |
| Impairment charge   |          | -  | (5,408)  | (43,978)  |
| Administrative expenses                                     |          | (2,794)  | (2,706)  | (15,098)  |
| Share options expensed                                      |          | -  | -  | (607)   |
| Currency exchange (losses)/gains                            |          | (6)  | -  | 11,200  |
| Investment income   |          | 317  | -  | 403   |
| Gains on sale of available for sale investments             |          | 14,148   | -  | 1,211   |
| <b>Operating profit/(loss)</b>                              |          | <b>11,665</b>  | <b>(10,275)</b>  | <b>(54,881)</b>                                     |
| Share of joint venture results                              | <b>5</b> | (3,833)  | -  | (3,519)   |
| Share of associates results                                 | <b>6</b> | (1,010)  | (1,036)  | (3,239)   |
| Finance revenue   |          | 13   | 1,678  | 2,421   |
| (Loss) on subsidiary disposal                               |          | -  | -  | (3,512)   |
| <b>Profit/(loss) on ordinary activities before taxation</b> |          | <b>6,835</b>   | <b>(9,633)</b>   | <b>(62,730)</b>                                     |
| Income tax expense  |          | -  | -  | -   |
| <b>Profit/(loss) for the financial period</b>               |          | <b>6,835</b>   | <b>(9,633)</b>   | <b>(62,730)</b>                                     |
| <b>Attributable to:</b>                                     |          |  |  |   |
| Equity holders of the parent                                |          | <b>6,835</b>   | <b>(9,633)</b>   | <b>(62,730)</b>                                     |
| <b>Earnings per share:</b>                                  | <b>3</b> |  |  |   |
| <b>Basic earnings/(loss) per share (US cents)</b>           |          | <b>0.29</b>  | <b>(0.51)</b>  | <b>(3.20)</b>                                       |
| <b>Diluted earnings/(loss) per share (US cents)</b>         |          | <b>0.24</b>  | <b>(0.51)</b>  | <b>(3.20)</b>                                       |

**POLO RESOURCES LTD**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

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|   | 6 months ended<br>31 December<br>2009<br>(unaudited)<br>\$ 000's | 6 months ended<br>31 December<br>2008<br>(unaudited)<br>\$ 000's | Year ended 30<br>June 2009<br>(audited)<br>\$ 000's |
|---|--|--|---|
| <b>Profit/(loss) for the period</b>                   | 6,835  | (9,633)  | (62,730)  |
| Gain on revaluation of available for sale investments | 37,215   | 200  | 56,841  |
| Currency translation differences                      | (6,029)  | (62,462)   | (49,597)  |
| <b>Total comprehensive income</b>                     | <b>38,021</b>  | <b>(71,895)</b>  | <b>(55,486)</b>                                     |

**POLO RESOURCES LTD**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2009**

|  | Note | 31 December 2009<br>(unaudited)<br>\$ 000's | 31 December<br>2008<br>(unaudited)<br>\$ 000's | 30 June 2009<br>(audited)<br>\$ 000's |
|--|------|---|--|---------------------------------------|
| <b>Non-current assets</b>              |      |   |  |                                       |
| Intangible assets                      |      | -   | 70,132   | -                                     |
| Property, plant and equipment          | 8    | 5   | 3,232  | 6                                     |
| Interest in joint venture              | 5    | 15,672                                      | -  | 19,505                                |
| Interest in associates                 | 6    | 126,873                                     | 111,172  | 132,596                               |
| Available for sale investments         | 7    | 167,137                                     | 7,054  | 108,264                               |
| Trade and other receivables            |      | 2,700                                       | -  | 2,813                                 |
| <b>Total non-current assets</b>        |      | <b>312,387</b>                              | <b>191,590</b>                                 | <b>263,184</b>                        |
| <b>Current assets</b>                  |      |   |  |                                       |
| Trade and other receivables            |      | 7,141                                       | 6,879  | 4,560                                 |
| Available for sale investments         | 7    | 12,442                                      | -  | 32,395                                |
| Cash and cash equivalents              |      | 9,996                                       | 70,747   | 12,288                                |
| <b>Total current assets</b>            |      | <b>29,579</b>                               | <b>77,626</b>                                  | <b>49,243</b>                         |
| <b>Total Assets</b>                    |      | <b>341,966</b>                              | <b>269,216</b>                                 | <b>312,427</b>                        |
| <b>Current Liabilities</b>             |      |   |  |                                       |
| Trade and other payables               |      | (339)                                       | (7,310)  | (8,821)                               |
| <b>Total Liabilities</b>               |      | <b>(339)</b>                                | <b>(7,310)</b>                                 | <b>(8,821)</b>                        |
| <b>Net Assets</b>                      |      | <b>341,627</b>                              | <b>261,906</b>                                 | <b>303,606</b>                        |
| <b>Shareholders' equity</b>            |      |   |  |                                       |
| Share capital                          | 4    | -   | -  | -                                     |
| Share premium                          |      | 294,417                                     | 245,897  | 305,359                               |
| Share based payment reserve            |      | 3,017                                       | 1,472  | 3,129                                 |
| Foreign exchange reserve               |      | 12,212                                      | 30,679   | 8,037                                 |
| Available for sale investments reserve |      | 94,618                                      | 233  | 56,553                                |
| Retained earnings                      |      | (62,637)                                    | (16,375)                                       | (69,472)                              |
| <b>Total Equity</b>                    |      | <b>341,627</b>                              | <b>261,906</b>                                 | <b>303,606</b>                        |

**POLO RESOURCES LTD**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

|  | 6 months ended<br>31 December 2009<br>(unaudited)<br>\$ 000's | 6 months ended<br>31 December 2008<br>(unaudited)<br>\$ 000's | Year ended 30<br>June 2009<br>(audited)<br>\$ 000's |
|--|---|---|---|
| <b>Cash outflow from operating activities</b>              |   |   |   |
| Operating profit/(loss)                                    | 11,665  | (10,275)  | (54,881)  |
| (Increase) in trade and other receivables                  | (2,581)   | (2,523)   | (204)   |
| (Decrease)/increase in trade and other payables            | (8,482)   | (949)   | 562   |
| Foreign exchange translation                               | 6   | (1,781)   | (11,200)  |
| Share options expensed                                     | -   | -   | 607   |
| Share based payment charge – shares issued                 | -   | -   | 8,021   |
| Impairment charge of investment in Mongolia                | -   | 5,408   | 43,978  |
| Loss on sale of fixed assets                               | -   | 146   | -   |
| Gains on sale of available for sale investments            | (14,148)  | -   | (1,211)   |
| Depreciation & impairment                                  | 1   | 162   | 5,844   |
| <b>Net cash (outflow)/inflow from operating activities</b> | <b>(13,539)</b>   | <b>(9,812)</b>  | <b>(8,484)</b>                                      |
| <b>Cash flows from investing activities</b>                |   |   |   |
| Interest received  | 13  | 1,678   | 2,421   |
| Payments to acquire intangible assets                      | -   | (12,433)  | (2,798)   |
| Payments to acquire tangible assets                        | -   | (3,241)   | (3,858)   |
| Investments in associates                                  | -   | (5,387)   | (6,113)   |
| Receipts on sale of available for sale investments         | 30,598  | -   | 9,586   |
| Purchase of available for sale investments                 | (20,087)  | (6,469)   | (83,908)  |
| Loans to joint ventures                                    | -   | -   | (2,813)   |
| <b>Net cash inflow/(outflow) from investing activities</b> | <b>10,524</b>   | <b>(25,852)</b>   | <b>(87,483)</b>                                     |
| <b>Acquisitions and disposals</b>                          |   |   |   |
| Payments to acquire subsidiaries                           | -   | (577)   | -   |
| Cash (derecognised) with subsidiaries                      | -   | -   | (231)   |
| <b>Net cash outflow from acquisitions and disposals</b>    | <b>-</b>  | <b>(577)</b>  | <b>(231)</b>  |
| <b>Cash flows from financing activities</b>                |   |   |   |
| Issue of ordinary share capital                            | -   | -   | 10,172  |
| Share issue costs  | -   | -   | (704)   |
| <b>Net cash inflow from financing activities</b>           | <b>-</b>  | <b>-</b>  | <b>9,468</b>  |
| <b>Net (decrease) in cash and cash equivalents</b>         | <b>(3,015)</b>  | <b>(36,241)</b>   | <b>(86,730)</b>                                     |
| Cash and cash equivalents at beginning of period           | 12,288  | 115,974   | 115,974   |
| Exchange gain on cash and cash equivalents                 | 723   | (8,986)   | (16,956)  |
| <b>Cash and cash equivalents at end of period</b>          | <b>9,996</b>  | <b>70,747</b>   | <b>12,288</b>                                       |

**POLO RESOURCES LTD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

|   | Attributable to equity holders of the parent |                       |                                      |                                       |                             |                   |          |
|---|--|-----------------------|--------------------------------------|---------------------------------------|-----------------------------|-------------------|----------|
|   | 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 2009</b>                                  |  | 305,359               | 8,037                                | 56,553                                | 3,129                       | (69,472)          | 303,606  |
| Profit for the period                                     | -  | -                     | -                                    | -                                     | -                           | 6,835             | 6,835    |
| Currency translation differences                          | -  | (10,942)              | 4,175                                | 850                                   | (112)                       | -                 | (6,029)  |
| Gain on revaluation of available for sale investments     | -  | -                     | -                                    | 37,215                                | -                           | -                 | 37,215   |
| <b>Total recognised income and expense for the period</b> | -  | (10,942)              | 4,175                                | 38,065                                | (112)                       | 6,835             | 38,021   |
| Share capital issued                                      | -  | -                     | -                                    | -                                     | -                           | -                 | -        |
| Cost of share issue                                       | -  | -                     | -                                    | -                                     | -                           | -                 | -        |
| Share based payments                                      | -  | -                     | -                                    | -                                     | -                           | -                 | -        |
| <b>As at 31 December 2009</b>                             | -  | 294,417               | 12,212                               | 94,618                                | 3,017                       | (62,637)          | 341,627  |

|   | Attributable to equity holders of the parent |                       |                                      |                                       |                             |                   |          |
|---|--|-----------------------|--------------------------------------|---------------------------------------|-----------------------------|-------------------|----------|
|   | 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 2008</b>                                  | -  | 338,861               | (285)                                | (62)                                  | 2,029                       | (6,742)           | 333,801  |
| (Loss) for the period                                     | -  | -                     | -                                    | -                                     | -                           | (9,633)           | (9,633)  |
| Currency translation differences                          | -  | (92,964)              | 30,964                               | 95                                    | (557)                       | -                 | (62,462) |
| Gain on revaluation of available for sale investments     | -  | -                     | -                                    | 200                                   | -                           | -                 | 200      |
| <b>Total recognised income and expense for the period</b> | -  | (92,964)              | 30,964                               | 295                                   | (557)                       | (9,633)           | (71,895) |
| Share capital issued                                      | -  | -                     | -                                    | -                                     | -                           | -                 | -        |
| Cost of share issue                                       | -  | -                     | -                                    | -                                     | -                           | -                 | -        |
| Share based payments                                      | -  | -                     | -                                    | -                                     | -                           | -                 | -        |
| <b>As at 31 December 2008</b>                             | -  | 245,897               | 30,679                               | 233                                   | 1,472                       | (16,375)          | 261,906  |

**POLO RESOURCES LTD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) (continued)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

| Group (audited)   | Attributable to equity holders of the parent |   |   |  |  |                                  |                   |
|---|--|---|---|--|--|----------------------------------|-------------------|
|   | Called up<br>share<br>capital<br>\$ 000's    | Share<br>premium<br>reserve<br>\$ 000's | Foreign<br>currency<br>translation<br>reserve<br>\$ 000's | Available for<br>sale<br>investment<br>reserve<br>\$ 000's | Share<br>based<br>payment<br>reserve<br>\$ 000's | Retained<br>earnings<br>\$ 000's | Total<br>\$ 000's |
| <b>As at 1 July 2008</b>                                      | -  | 338,861                                 | (285)   | (62)   | 2,029  | (6,742)                          | 333,801           |
| (Loss) for the period   | -  | -                                       | -   | -  | -  | (62,730)                         | (62,730)          |
| Currency translation<br>differences                           | -  | (57,394)                                | 8,322   | (226)  | (299)  | -                                | (49,597)          |
| Gain on revaluation of<br>available for sale investments      | -  | -                                       | -   | 56,841   | -  | -                                | 56,841            |
| <b>Total recognised income<br/>and expense for the period</b> | -  | (57,394)                                | 8,322   | 56,615   | (299)  | (62,730)                         | (55,486)          |
| Share capital issued  | -  | 25,364                                  | -   | -  | -  | -                                | 25,364            |
| Cost of share issue   | -  | (1,472)                                 | -   | -  | -  | -                                | (1,472)           |
| Share based payments  | -  | -                                       | -   | -  | 1,399  | -                                | 1,399             |
| -   | -  | -                                       | -   | -  | -  | -                                | -                 |
| <b>As at 30 June 2009</b>                                     | -  | 305,359                                 | 8,037   | 56,553   | 3,129  | (69,472)                         | 303,606           |

**POLO RESOURCES LTD**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

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**1. Basis of preparation**

The financial information has 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 2009 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 period ended 30 June 2009. The figures for the period ended 30 June 2009 have been extracted from these accounts, 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.

This Interim Financial Report was approved by the Board of Directors on 19 March 2010.

**Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34 – Interim Financial Reporting as adopted by the European Union. 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 2009 annual financial statements.

**Basis of consolidation**

The consolidated financial statements comprise the financial statements of Polo Resources Ltd 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.

**POLO RESOURCES LTD**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

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**1. Foreign currencies (continued)**

*(c) Rates of exchange*

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

|                   | <b>As at 31<br/>December 2009</b> | <b>Average for the 6<br/>months to 31<br/>December 2009</b> | <b>As at 30 June<br/>2009</b> | <b>Average for the<br/>period to 30<br/>June 2009</b> |
|-------------------|-----------------------------------|---|-------------------------------|---|
| Pound Sterling    | 0.62792                           | 0.61079   | 0.60546                       | 0.62696   |
| Australian Dollar | 1.11967                           | 1.15247   | 1.24259                       | 1.36035   |

**2. Segmental analysis - Group**

For the purposes of segmental information, the operations of the group currently comprise one class of business: the investment in mining and exploration companies, with a view to enhancing Group shareholder values.

The parent company acts as a holding company.

The Group's profit for the period arose from its investment sales, with all assets being held within British Virgin Island (BVI) subsidiaries.

**POLO RESOURCES LTD**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

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**3. Profit / (Loss) per share**

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

|   | <b>6 Months ended<br/>31 December<br/>2009<br/>(unaudited)<br/>\$ 000's</b> | <b>6 Months ended<br/>31 December<br/>2008<br/>(unaudited)<br/>\$ 000's</b> | <b>Year 30 June<br/>2009<br/>(audited)<br/>\$ 000's</b> |
|---|---|---|---|
| Net profit/(loss) after taxation  | 6,835   | (9,633)   | (62,730)  |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 2,346.6m  | 1,874.2m  | 1,962.9m  |
| Basic earnings/(loss) per share (expressed in US cents)                                 | 0.29cents   | (0.51)cents   | (3.20)cents   |
| <hr/>   |   |   |   |
| Weighted average number of ordinary shares in issue                                     | 2,346.6m  | 1,874.2m  | 1,962.9m  |
| Adjustments for;  |   |   |   |
| - share options   | 120.75m   | -   | -   |
| - warrants  | 415.46m   | -   | -   |
| Weighted average number of shares for diluted earnings/(loss) per share                 | 2,882.81m   | 1,874.2m  | 1,962.9m  |
| <hr/>   |   |   |   |
| Diluted earnings/(loss) per share (expressed in US cents)                               | 0.24cents   | (0.51)cents   | (3.20)cents   |
| <hr/>   |   |   |   |

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 two categories of dilutive potential ordinary shares: warrants and share options. For the warrants and 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 that were in the money.

**POLO RESOURCES LTD**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

**4. Share capital**

The authorised share capital of the Company and the called up and fully paid amounts at 31 December 2009 were as follows:

|   |                         | <b>\$ 000's</b>      |
|---|-------------------------|----------------------|
|   |                         | <b>Authorised</b>    |
| Unlimited ordinary shares of no par value each    |                         | -                    |
|   |                         |                      |
|   | <b>Number of shares</b> | <b>Nominal value</b> |
| <b>Called up, allotted, issued and fully paid</b> |                         | <b>\$ 000's</b>      |
| As at 1 July 2009                                 | 2,346,645,623           | -                    |
| No shares issued in the period                    | -                       | -                    |
| <b>As at 31 December 2009</b>                     | <b>2,346,645,623</b>    | <b>-</b>             |

***Total share options in issue***

During the 6 months ended 31 December 2009, 20,000,000 options were granted over ordinary shares and 20,000,000 were cancelled.

As at 31 December 2009 the unexercised options in issue were;

| <b>Exercise Price</b> | <b>Expiry Date</b> | <b>Options in Issue</b> |
|-----------------------|--------------------|-------------------------|
|                       |                    | <b>30 June 2009</b>     |
| 5p                    | 4 September 2012   | 4,000,000               |
| 9p                    | 4 March 2018       | 21,000,000              |
| 3.5p                  | 30 January 2019    | 105,750,000             |
| 4.28p                 | 7 June 2019        | 10,000,000              |
|                       |                    | <b>140,750,000</b>      |

As at 31 December 2009 the unexercised warrants in issue were;

| <b>Exercise Price</b> | <b>Expiry Date</b> | <b>Warrants in Issue</b> |
|-----------------------|--------------------|--------------------------|
|                       |                    | <b>30 June 2009</b>      |
| 4p                    | 30 November 2010   | 404,866,875              |
| 3.775p                | 30 November 2010   | 8,823,530                |
| 4p                    | 30 November 2010   | 1,764,706                |
|                       |                    | <b>415,455,111</b>       |

No warrants lapsed or were cancelled or exercised during the 6 months to 31 December 2009.

**POLO RESOURCES LTD**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

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**5. Investment in Joint Ventures**

|                                  | <b>\$ 000's</b> |
|----------------------------------|-----------------|
| <b>Group</b>                     |                 |
| At 1 July 2009                   | 19,505          |
| Share of Joint Venture's results | (3,833)         |
| <b>As at 31 December 2009</b>    | <b>15,672</b>   |

The breakdown of the carrying values and fair values at the balance sheet date of the Group's investment in joint ventures is as follows:

|                           | <b>Carrying Value</b> | <b>Fair Value</b> |
|---------------------------|-----------------------|-------------------|
|                           | <b>\$ 000's</b>       | <b>\$ 000's</b>   |
| Peabody-Polo Resources BV | <b>15,672</b>         | <b>15,672</b>     |

Details of the Group's Joint Venture interests at 31 December 2009 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 JV</b> | <b>Principal activities</b> |
|---------------------------|-------------------------------|------------------------|---|-----------------------------|-----------------------------|
| Peabody-Polo Resources BV | Netherlands                   | 50%                    | 01/05/09                                | 30/06/09                    | Coal exploration            |

**POLO RESOURCES LTD**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

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**6. Interest in associates**

|   | <b>\$ 000's</b> |
|---|-----------------|
| <b>Group</b>                            |                 |
| At 1 July 2009                          | 132,596         |
| Investments in associates – purchases   | -               |
| Foreign exchange translation            | (4,713)         |
| Share of associates loss for the period | (1,010)         |
| <b>As at 31 December 2009</b>           | <b>126,873</b>  |

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>Carrying Value</b> | <b>Fair Value</b> |
|-----------------------|-----------------------|-------------------|
|                       | <b>\$ 000's</b>       | <b>\$ 000's</b>   |
| GCM Resources Plc     | <b>33,902</b>         | <b>18,668</b>     |
| Caledon Resources Plc | <b>92,971</b>         | <b>58,998</b>     |
|                       | <b>126,873</b>        | <b>77,666</b>     |

Subsequent to 31 December 2009 the market value of the investment in Associates, has increased substantially. It is considered that this increase is a subsequent event that does not require adjustment at 31 December 2009. The market value of the interests in associates was US\$81.1 million at 19 March 2010.

Details of the Group and Company's associates at 31 December 2009 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                            | 29.83%                 | 01/02/08                                | 30/06/09                           | Coal exploration            |
| Caledon Resources Plc | UK                            | 26.12%                 | 05/06/08                                | 31/12/09                           | Coal Mining                 |

**POLO RESOURCES LTD**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

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**7. Available for sale investments**

| <b>Group – Listed Investments</b>                              | <b>\$ 000's</b> |
|--|-----------------|
| At 1 July 2009   | 140,659         |
| Acquired during the year                                       | 20,087          |
| Disposals during the year                                      | (30,613)        |
| Realised gains on disposals                                    | 11,969          |
| Currency translation differences                               | 262             |
| Movement in market value                                       | 37,215          |
| <b>At 31 December 2009</b>                                     | <b>179,579</b>  |
| <br>   |                 |
| <b>The available for sale investments, are split as below;</b> |                 |
| <b>Non-current assets</b>                                      | 167,137         |
| <b>Current assets</b>  | 12,442          |
|  | <b>179,579</b>  |

Available for sale investments comprises investments in listed securities, which are traded on Stock markets throughout the world, and, which are held by the Group as a mix of strategic and short term investments. No unlisted available for sale investments are held. In the period commencing 1 January 2010, several disposals were made and the market value of available for sale listed investments held at 19th March 2010 was US\$169.4 million.

**8. Property, plant and equipment**

| <b>Group</b>                  | <b>Property, plant and<br/>equipment</b> | <b>Total</b>    |
|-------------------------------|--|-----------------|
|                               | <b>\$ 000's</b>                          | <b>\$ 000's</b> |
| <b>At 1 July 2009</b>         | 6  | 6               |
| Additions                     | -  | -               |
| Disposals                     | -  | -               |
| Depreciation                  | 1  | 1               |
| <b>As at 31 December 2009</b> | <b>5</b>                                 | <b>5</b>        |

**9. Post balance sheet events**

There are no post balance sheet events to disclose.

## Corporate Information

|                            |  |
|----------------------------|--|
| Registered number          | 1406187 registered in British Virgin Islands   |
| Directors                  | Stephen Dattels – Executive Chairman<br>Neil Herbert – Managing Director<br>Paul Ingram –Chief Executive Officer for Australia<br>Guy Elliott – Senior Non Executive Director<br>Bryan Smith - Non Executive Director<br>James Mellon – Non Executive Director |
| Registered Office          | Craigmuir Chambers<br>Road Town, Tortola<br>British Virgin Islands VG 1110<br><br>Email: <a href="mailto:info@poloresources.com">info@poloresources.com</a><br>Website: <a href="http://www.poloresources.com">www.poloresources.com</a>                       |
| Auditors                   | Chapman Davis LLP<br>2 Chapel Court<br>London SE1 1HH<br>United Kingdom  |
| Solicitors                 | Charles Russell LLP<br>5 Fleet Place<br>London EC4M 7RD<br>United Kingdom  |
| Nominated Advisor & Broker | Canaccord Adams Limited<br>Cardinal Place, 7 <sup>th</sup> Floor<br>80 Victoria Street<br>London SW1E 5JL<br>United Kingdom  |
| Registrars                 | Computershare Investor Services (Channel Islands) Ltd<br>PO Box 83<br>Ordnance House, 31 Pier Road<br>St Helier JE4 8PW<br>Channel Islands   |
| Principal Bankers          | HSBC Bank plc<br>PO Box 14<br>St. Helier<br>Jersey JE4 8NJ<br>Channel Islands  |