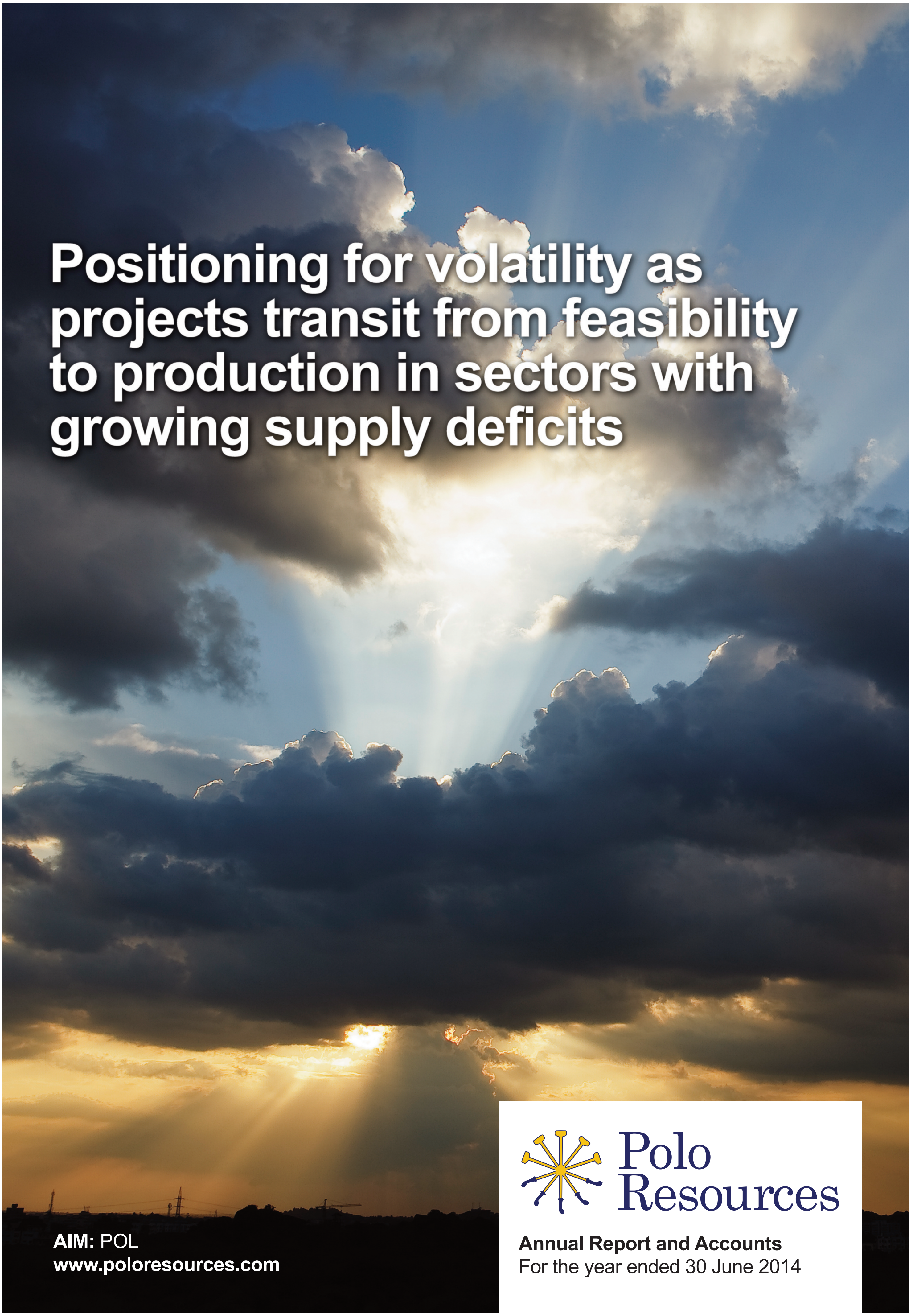

Positioning for volatility as projects transit from feasibility to production in sectors with growing supply deficits

AIM: POL
www.poloresources.com

Polo Resources

Annual Report and Accounts
For the year ended 30 June 2014

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Company Briefing

Polo Resources Limited is an investment company focused on natural resources and mine development with interests in oil and gas, gold, coal, iron ore, phosphate, and copper.

Polo Resources actively works to select, acquire and manage investments in companies and projects, including investing in majors pursuing asset sales or juniors seeking funds to complete exploration programs or take projects from demonstrated feasibility to production, with strong value enhancement potential and attractive growth prospects.

By having a multi commodity strategy in a carefully selected range of jurisdictions, Polo Resources' portfolio is one that has stood strong in current market conditions.

Well financed and strategically experienced in the identification of under-valued investment opportunities, Polo Resources is working to continue its development, to build upon its recent performance and to make further timely investments in a selection of value-adding natural resource opportunities. The current portfolio consists of Gold: Nimini Holdings Limited (90%) and Blackham Resources Limited (10.65%); Petroleum: Signet Petroleum Limited (42%), Regalis Petroleum Limited (11%) and Equus Petroleum Plc (1.95%); Coal: GCM Resources Plc (27.8%); Iron and Vanadium: Ironstone Resources Limited (15.16%); Phosphate: Celamin Holdings NL (33.23%); and Copper: Weatherly International Plc (7.06% with provision to increase).

Investing Policy

Polo Resources' core strategy is to make direct and indirect investments in natural resources companies and projects, companies involved in supporting and related activities and companies involved in processing and downstream activities – both listed or unlisted – that are considered to be undervalued or have strong fundamentals and attractive growth prospects. Principal investment targets are companies with producing assets and/or tangible resources and reserves verified using internationally recognised standards such as NI 43-101. Polo Resources also invests in exploration companies, whose activities are of a more speculative nature. Principal investment targets within the natural resources supporting and related activities sector are companies that offer significant growth potential.

Natural resources companies or projects are involved in the exploration for, and extraction of minerals (including but not limited to), base metals, precious metals, bulk commodities, thermal and metallurgical coals, industrial metals and minerals, gemstones, hydrocarbons, energy and uranium, and include single-asset as well as diversified natural resources companies. Examples of businesses that are involved in supporting or related activities include (but are not limited to): onshore and offshore drilling rigs and equipment, drilling contractors, mining logistics providers, metals and mineral processing and rolling mills.

Investments can take the form of buyouts (with controlling interests) or strategic investments (with minority interests) in both public and private companies. Polo Resources may take legal control of a company from time to time and may also invest in other investment funds or vehicles where such an investment would complement the investing policy of Polo Resources, or where short-term equity stakes in highly liquid public company securities represents an alternative to holding cash.

There is no fixed limit on the number of projects or companies into which the Company may invest, nor the proportion of the Company's gross assets that any investment may represent at any time and the Company will consider opportunities anywhere in the world.

The Directors may propose a special dividend or implement share buy-backs from time to time but the primary objective will be to achieve returns to shareholders through the appreciation in the value of the Company's shares, rather than by means of distribution.

Chairman's Statement

The past financial year has been extremely challenging for the resource sector. However, in recent months a more positive view has appeared in the market following statements from international organisations such as the International Monetary Fund reporting that they expect the situation of strengthening global activity to improve through 2015.

In order to maximise our capability for new investments we initially undertook a review of corporate overheads and portfolio holding costs and I am pleased to report that we were able to make significant cost reductions, without compromising our ability to support existing investments. In addition, the sale of Signet Petroleum Limited's ("Signet") Namibian assets helped to improve our cash position allowing Polo to emerge from the recent period of resource sector downturn to have the financial means to capitalise on investment opportunities. This is a great position for the Company to be in given the difficulties in raising capital in this weak market environment.

Polo's Board focused on opportunities stemming from the period of depressed commodity prices that has seen companies with good assets having financial difficulties. We identified sectors having the best chance for an early supply / demand gap and hence price rise and value volatility. This, we found, was particularly evident in the Gold, Phosphate and Copper sectors, however, other sectors were also of interest. Over the past six months alone we reviewed more than 40 investment opportunities, several remain on our close watch list and three were chosen for investment. These new investments are an exciting addition to Polo's portfolio.

2014 New Investments

Gold

In March 2014 Polo announced that it had participated in a share placement in ASX listed West Australian gold explorer Blackham Resources Limited ("Blackham") (ASX: BLK), and that this had resulted in an interest of approximately 4.2 per cent. In May 2014 we increased our interest in Blackham which resulted in a combined direct and indirect effective holding in Blackham of 11.85 per cent.

Blackham is an exciting gold project focused on development of its 100 per cent owned Matilda Gold Project in the Goldfields Region of Western Australia. Its acquisition of the adjacent Wiluna Gold Project tenements and well maintained processing plant has positioned Blackham as a near-term gold producer with highly prospective and extensive exploration tenements. The consolidated Matilda and Wiluna projects host a JORC Resource of 40 million tonnes ("Mt") at an average grade of 3.3 grammes per tonne ("g/t") gold for 4.3 million ounces ("Moz"), with a land holding of 780 square kilometres and 55 kilometres of potentially mineralised strike length.

Blackham is currently pursuing additional funding aimed at delineating additional high grade areas and moving the Project from Pre-feasibility to Bankable Feasibility.

Phosphate

Also in March 2014, Polo announced it had taken up a placement giving a strategic 12.7 per cent stake in ASX listed Celamin Holdings NL ("Celamin") (ASX: CNL) which has phosphate interests in Tunisia (Chaketma Phosphate Project). In November 2014, Polo decided to increase its stake in Celamin by participating in a Renounceable Rights Offer as a sub-underwriter bringing Polo's total interest to 33.23 per cent. This will enable Celamin to progress the Chaketma Project through Pre-feasibility to completion of a Bankable Feasibility Study ("BFS") by the end of next year.

Given its importance in fertiliser production, we view the phosphate sector as a growth area to support increasing agricultural production in a world of increasing population. Phosphate prices have been relatively stable and trending upwards over 10 years and the Chaketma Project has a large high grade resource which is amenable to straight forward open pit mining and recent metallurgical tests confirm high recovery producing an easily marketable concentrate. The Chaketma Project represents a pioneering step in that it is the first corporate exposure to phosphate in the very significant North African phosphate region.

Copper
Post financial year end, in November 2014 Polo announced its first foray into the copper sector through a Subscription Agreement with AIM listed Weatherly International Plc ("Weatherly") (AIM: WTI), an emerging mining, development and exploration company focused on copper in Namibia. Under this arrangement, Polo's interest is 7.06 per cent, with provision to increase to approximately 12 per cent.

Weatherly's Namibian copper assets include the Otjihase and Matchless producing underground operations and the open pit Tschudi Project which is expected to be in production in the second quarter 2015. The Tschudi Project will recover copper through well proven heap leach, solvent extraction and electro-winning processing ("SX-EW"). The Tschudi Project is fully financed and on schedule. It represents a step-jump for Weatherly and is set to produce 17,000 tonnes of copper cathode per year with an 11 year mine life. In addition, Weatherly holds a 25 per cent interest in AIM traded China Africa Resources Plc (AIM: CAF) which has completed a Pre-feasibility for its high grade zinc, lead, silver and vanadium deposit in Northern Namibia.

Existing Main Investments

Oil and Gas
Signet remains the corner stone of Polo's oil and gas interests. In mid-2013 Signet commenced its "Strategic Alternatives" review process to examine the best way to realise value from its African oil and gas asset portfolio. The review attracted wide interest including international oil majors and is on-going.

In February 2014, Signet announced it had concluded the sale of its interests in Block 2913A/2914B in Namibia to Shell Exploration and Production in a transaction that saw the implementation of a dividend in specie and a share buy-back offer. Polo received proceeds of US$22.8 million in respect of the buy-back (equivalent to approximately 5.1 pence per Polo share) which was reinvested in Polo to help unlock value in its existing portfolio as well as to acquire undervalued and high potential assets.

Signet's remaining assets include: 80 per cent in the Mnazi Bay North licence offshore Tanzania, 90 per cent interest in Block 03 offshore Benin, 87.5 per cent interest in Block C Lake Tanganyika Burundi and 10 per cent interest in Block SL-7A-10 offshore Sierra Leone.

Gold
We continue to support the Sierra Leone focused gold exploration company Nimini Holdings Limited ("Nimini") in which Polo holds a 90 per cent interest.

Nimini filed an independent Mineral Resource Estimate (MRE) for its Komahun Gold Project in August 2013, showing a significant resource increase. The MRE reported an Indicated Mineral Resource of 0.55 Moz (3.65 Mt of ore at gold grade 4.69 g/t) and an Inferred Mineral Resource of 0.34 Moz (2.61 Mt of ore at gold grade 4.08 g/t), for a potentially mineable Mineral Resources at 2.4 g/t cut-off grade. Field programmes have also identified targets for future drilling both proximal to the Komahun deposit and within the greater Mining Licence area.

Nimini's Environmental and Mining Licences remain in good stead. The Mine Development Agreement, which will establish the legal, fiscal and operating regimes for the development and commercial exploitation of Nimini's gold project, was executed by the Minister of Mines and Mineral Resources in February 2014. However, Nimini was subsequently advised by the Minister that the Government required certain terms to be re-negotiated ahead of ratification by parliament. Nimini was in the process of seeking clarification when the Ebola outbreak occurred and efforts were put on hold.

As the world now knows, Sierra Leone has been hard hit by the Ebola outbreak and the Government forced to declare a state of emergency. Nimini has made a financial contribution to the Government's Ebola fund and has taken steps to ensure the safety of its staff. Polo wishes the Government and people of Sierra Leone the very best in their efforts to combat this terrible virus.

The state of emergency also means that travel to / from and within the country is very difficult. The impact on the resource sector has been significant with major players running into financial difficulty. Nimini has moved to a care and maintenance footing until the crisis is over.

In the interest of prudence, Polo undertook a provision against Komahun evaluation and exploration assets amounting to US$28.2 million and goodwill write-off of US$2.8 million relating to the acquisition of Nimini.

Iron and Vanadium
Polo maintains a 15.16 per cent interest in Ironstone Resources Limited ("Ironstone"), which is continuing its work on defining the Hatch-Ironstone Chloride Segregation Process for its Clear Hills Iron Ore/Vanadium project in Alberta, Canada. There have been very encouraging results from pilot testing program covering ore preparation, calcination, iron reduction and iron segregation stages of the process flow sheet carried at Hazen Research (extractive metallurgical research centre, Golden Colorado). Based on the success of the metallurgical work Ironstone intends to commence a Preliminary Economic Assessment ("PEA").

Coal
Polo has a 27.8 per cent equity interest in GCM Resources Plc ("GCM"), which is advancing the development of the major Phulbari Coal Project ("Project) in Northwest Bangladesh. Polo has continued to support GCM in its efforts to advance the Project and in August 2013 participated in a placing initiated by GCM which secured further working capital.

GCM has been successful in lifting local community support for the Project and we are encouraged by the recent moves by the Government of Bangladesh to pave the way for open pit mining to extract coal. The country has a well-defined need for new reliable commercial energy sources and the Government has adopted a Power Sector Master Plan where coal is factored in to fuel over 50 per cent of the country's power generation.

I would like to thank all our shareholders for their continuing support.

Michael Tang
Executive Chairman
16 December 2014

Investment Update

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Gold

Blackham Resources Limited

- Gold, Western Australia
- Coal, Southwest Australia
- Combined direct and indirect holding of 10.65 per cent

Matilda Gold Project

Incorporated in 2006, Blackham Resources (ASX: BLK) is an Australian exploration company focused on the development of gold projects in Western Australia and coal projects in Southwest Australia.

The Matilda Gold Project incorporates over 780 square kilometres of tenements including Regent, Galaxy and the Matilda and Williamson Gold Mines containing total JORC resources of 40 Mt @ 3.3 g/t for 4.3 Moz @ 3.3 g/t for 4.3 Moz Au.

In March 2014, Blackham completed the acquisition of the neighbouring 1.3 Mt per annum plant, 12 megawatt (“Mw”) gas power station, camp and related infrastructure which sits in the middle of the expanded Matilda Gold Project. Blackham’s entire 4.3 Moz gold resource sits within a 20 km radius of its 100 percent owned plant. Blackham is now focused on extending the mine life beyond five years with a view to getting the Matilda Gold Project into production as soon as possible.

Metallurgical testwork on the Galaxy deposits also commenced during the period. Historical artisanal mining in the early 1900’s provides confidence the Galaxy mineralisation is free-milling similar to the other quartz ore bodies previously processed through the WGP plant. Mining and processing studies of the Galaxy, Matilda, Williamson and remnant stockpiles were advanced during the second quarter of 2014.

Evaluation of drill database and field work identifies high grade quartz vein targets all within 5km of the gold plant Matilda Environmental Licence.

Table 1: Matilda Gold Project Resource Summary (JORC 2012)

Mining Centre	Measured			Indicated			Inferred			Total		
	MT	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Matilda Mine	0.1	2.4	9	4.7	2.0	300	8.2	1.7	450	13.0	1.8	760
Williamson Mine				2.7	1.7	150	3.6	1.7	200	6.3	1.7	350
Regent				0.7	2.5	61	3.1	2.1	210	3.9	2.2	270
Galaxy							0.6	2.9	52	0.6	2.9	52
Total	**0.1**	**2.6**	**9**	**8.1**	**2.0**	**510**	**16**	**1.8**	**910**	**24.0**	**1.9**	**1,400**

Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location shape and continuity of the occurrence and on the available sampling results. The figures in table 1 above are rounded to two significant figures to reflect the relative uncertainty of the estimate. (For JORC Table 1 information please see Blackham’s ASX announcement on 23 January 2014).

Table 2: WGP Resource Summary (JORC 2004)

Lode	Indicated			Inferred			Total		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Henry 5 – Woodley - Bulletin	2.1	5.9	404	0.8	4.6	112	2.9	5.6	516
Burgundy - Calais	1.3	6.0	250	0.3	5.7	58	1.6	6.0	309
East lode	1.2	5.4	213	2.6	5.5	453	3.8	5.4	667
West Lode Calvert	1.2	5.3	198	2.3	5.3	383	3.4	5.3	581
Happy Jack - Creek Shear	1.5	5.9	289	1.3	4.8	205	2.9	5.4	494
Other Deposits	0.8	4.0	109	1.3	4.1	172	2.1	4.1	281
WGP Total	**8.2**	**5.6**	**1,465**	**8.6**	**5.0**	**1,384**	**16.7**	**5.3**	**2,848**

The figures in Table 2 above are rounded to two significant figures to reflect the relative uncertainty of the estimate. All deposits estimated by Ordinary Kriging using lower cut off grades of 0.5g/t for oxide and 2.0g/t for transition and fresh material.

After the period end, in September 2014, Blackham reported that the Department of Environment and Regulation (“DER”) has transferred the Environmental Protection Act 1986 licence to Matilda Operations Pty Ltd, a 100 per cent owned subsidiary of Blackham. The licence primarily allows for the processing of ore, mine dewatering extraction and discharge plus other activities required for the operation of the site. This is another step towards bringing its 4.3 Moz Matilda Gold Project into production.

Matilda Gold Resources

The Matilda Gold Project Resource Estimate was updated in January 2014, with the new interpretations and modelling completed at the Matilda Mine and Galaxy Deposits. The Estimate now totals 23.7 Mt at 19g/t for 1.4 Moz Au including 520,000 oz in the Measured and Indicated Resource categories.

Wiluna Gold Plant Resources

In March 2014 Blackham completed the acquisition of the neighbouring Wiluna Gold Plant (“WGP”) and associated 1.5Mtpa gold plant, 12Mw gas power plant, 350 person accommodation village, borefields and infrastructure. The WGP includes an Indicated and Inferred Resource of 16.7 Mt @ 5.3 g/t for 2.8 Moz Au (Table 2).

Metallurgical Testwork on the Galaxy Deposits

Outstanding high-grade Galaxy results

9m @13.4 g/t Au from 73m	(GARC0027)
2m @28.9.4 g/t Au from 23m	(GARC0024)
4m @8.68 g/t Au from 4m	(GARC0030)
6m @8.82 g/t Au from 13m	(GARC0037)

Further high grade extensions to Matilda Mine

7m @11.9 g/t Au from 244m	(M1 – MARC0166)
4m @10.3 g/t Au from 20m	(M1 – MARC0168)

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Nimini Holdings Limited

- Gold, Sierra Leone
- 90 per cent equity interest

Polo holds a 90 per cent interest in the Komahun Gold Project with the remaining 10 per cent being held by Plinian Guernsey Limited. Plinian Capital Limited is project operator. The project, which covers a 100 square kilometre area and includes the former Nimini West and Nimini East exploration licences, was granted a 25-year Mining Licence in November 2012.

In June 2013, Nimini completed an updated independent Mineral Resource Estimate for the Komahun Deposit. The MRE, undertaken by The MSA Group (Pty) Ltd, resulted in an Indicated Mineral Resource of 0.55 Moz (3.65 Mt at a gold grade of 4.69 g/t) and an Inferred Mineral Resource of 0.34 Moz (2.61 Mt at a gold grade of 4.08 g/t). The MRE, reported at a minimum true width of 1 metre and a cut-off grade of 2.4 g/t of gold, is restricted to potentially mineable Mineral Resources. Comparing this MRE with the previous estimate released in June 2012 and at the same cut-off grade of 1.8 g/t, Indicated Mineral Resource ounces increased by 21 per cent and Inferred Mineral Resource ounces by 60 per cent.

More detail is provided in the Company's press release dated 1 July 2013 and a copy of the Technical Report, released on 15 August 2013, may be obtained from the Polo website.

A programme of surface exploration through mapping, pitting and trenching was conducted during the period by Nimini's geological team. This work was carried out both in proximity to the Komahun Deposit and further afield within the Mining Licence. Trenching confirmed the presence of structurally controlled quartz veins mineralised with gold in an area where, despite abundant artisanal alluvial mining activities, no in-situ gold mineralisation had been previously encountered. This target, identified with the assistance of the geophysical interpretation of the induced polarisation survey carried out in 2013, represents a new zone with the potential to expand the current resource base at Nimini and add to future mine production. Surface mapping suggests that there is potential for additional discoveries to be made in the footwall and hanging wall areas of the Komahun Deposit. In addition, detailed analysis of existing drill core and geological data has being carried out to enable more detailed observations to be made in the area of the current Mineral Resource with the objective of guiding future drilling programmes aimed at increasing resources at and adjacent to the Komahun Deposit. The targets for future drilling resulting from these programmes have been compiled into an internal report on the exploration potential to guide future exploration programmes.

Nimini continues to support the surrounding communities through the implementation of the Community Development Action Plan ("CDAP"). The CDAP has ensured that the community continues to engage with and support the project in a constructive and positive manner. Several projects proposed by the community were completed during the year; these included educational and vocational scholarships for young people living in the project area, the construction of town meeting places, toilet facilities, fresh water pumps and agricultural support schemes.

The Environmental and Mining Licences were renewed for 2014/2015.

Negotiations with the Government of Sierra Leone ("GoSL") took place in respect of a Mine Development Agreement, which, inter alia, sets out the fiscal terms under which the project will operate. The MDA was executed by the Minister of Mines and Mineral Resources in February 2014. It was then expected to be put before Parliament for ratification. However, the Minister subsequently advised that there are certain issues in the MDA which the Government requires to be renegotiated. It is unfortunate that the ebola outbreak, the resultant state of emergency, GoSL's focus on combatting the outbreak and travel constraints have required those negotiations to be put on hold. As soon as circumstances permit, the negotiations will take place as a priority. When we are in a position to announce Parliamentary ratification of the MDA, the principal terms will be published in a press release and on the Polo website. Shortly after ratification, it is expected that the Preliminary Economic Assessment ("PEA") for the Komahun Deposit will be updated, the key results announced and subsequently the NI43-101 compliant document will be issued.

Site activities have recently been curtailed as a result of the ebola outbreak and will remain so until the situation reverts to reasonable normality. The exploration camp and assets are protected by full time security staff and are being maintained in working order.

Nimini has pro-actively assisted in the community to enhance awareness of ebola and advise of precautionary measures. Subsequent to year end, contributions have been made to GoSL and the community to assist in combatting the spread of ebola,

A provision against the Nimini (Komahun) evaluation and exploration assets amounting to US$28.2 million, and goodwill write off of US$2.8 million, relating to the acquisition of Nimini were recognised (2013: Nil). Although the group still intends to develop this area further, there were a number of impairment indicators under IFRS 6 including changes in the external environment (such as gold price), a reduction in activity during the year as the asset was mainly on a care and maintenance basis, present difficulties in operating in Sierra Leone and draft findings of a PEA. As such an impairment test was performed which calculated the recoverable amount applying a mineral resource based multiple. The PEA was not advanced enough to use as a discounted cash flow model. The resource based multiple was calculated based on an average of similar gold mining groups in Africa and their calculated enterprise value and amount of mineral resources (measured, indicated and inferred). A recoverable amount of US$20.0 million was determined based on the group's mineral resources of 0.9 Moz.

Polo remains committed to keeping Nimini in good stead such that the project can move forward when the environment improves.

In January 2014, Nimini gave notice to the authorities in Sierra Leone of surrender of the Matotoka Exploration Licence. This will allow Nimini to focus its resources on its core asset at Komahun. The write-off of Matotoka exploration and evaluation costs is US$0.97 million.

Phosphates

Celamin Holdings NL

- Phosphate, Tunisia
- 33.23 per cent

Celamin is advancing a BFS on the Chaketma phosphate project in Tunisia. Celamin holds a 51 per cent interest in the licences along with its Tunisian partner holding 49 per cent.

Drilling to date has intersected thick mineralised zones averaging over 15 metres at favourable depths, outcropping at surface in places and at grades that generally exceed 20 per cent phosphorous pentoxide ("P2O5"). Metallurgical studies have verified the potential to produce marketable concentrate acceptable to international offtakers.

Positive Scoping Study results were announced on 14 August 2012. A maiden JORC Inferred Resource was announced for the Kef El Louz prospect on 9 November 2012 and for the Gassaa Kebira prospect in June 2013.

Celamin has been working with GEOS Mining Services to identify the additional work required to further upgrade and delineate the JORC resources within the Chaketma permit area. Inferred JORC resources for two of the six prospects that make up the Chaketma Project already stand at 130 Mt at a grade of 20.5 per cent P2O5 contained in two separate Inferred Mineral Resources: 37 Mt at 21 per cent P2O5 is located at the Kef El Louz (North) prospect and 93 Mt at 20.3 per cent P2O5 located at the neighbouring Gassaa Kebira prospect in the north of the tenement. This underpins the potential for an operating mine life of over 35 years, based on the 2012 Scoping Study findings, and takes no account of the significant potential which lies within the other four prospects.

After the reporting period, in August 2014, Celamin announced the formal approval of the work plan and budget for the first phase of the BFS for the Chaketma Project.
The first phase of the BFS will focus specifically on the project's key risk factors, and will include the following:

- Upgrading the current Mineral Resource from the Inferred category to Measured and Indicated, to cater for the first 10 years of production;
- Continuation of the project's Environmental and Social Impact Assessment;
- Next phase of metallurgical test work to provide confirmation, and optimisation, of the reliable recovery of phosphate to saleable product specifications;
- Confirmation of the availability of sufficient water to support the proposed future mining operations at the project;
- Confirmation of the availability of major infrastructure requirements to support the project;
  - Port/rail/road access; and
  - Access to required energy sources (electricity and natural gas).

Celamin expects to progress the Chaketma Project through Pre-feasibility to completion of the BFS by the end of next year.

Copper

Weatherly International Plc

- Copper, Namibia
- 7.06 per cent with provision to increase

In 2006, Weatherly acquired the assets of Ongopolo, a Namibian copper producer, including a major undeveloped resource known as Tschudi.

In the wake of the 2008 global financial crisis, work on the project was suspended and, it was not until December 2009 that the company published its preliminary pit optimisation study. Throughout 2011 and 2012 Weatherly made progress with feasibility studies which started to show that the ore body, including the deeper ore, was amenable to direct leaching using sulphuric acid. Up until then, it was assumed that the deeper ore would be treated using conventional flotation, smelting and refining, which was a significant breakthrough at the time.

By the end of 2012 the company was able to publish a BFS based on an open pit mine using heap leach, solvent extraction and electro-winning to produce high quality copper cathodes.

The BFS was completed in December 2012 and the financial results were announced together with the funding from Orion Mine Finance (then Red Kite). At the time, the BFS resulted in a Net Present Value (at eight per cent discount rate) of US$105 million based on an average Life of Mine and copper price of US$6,067 per tonne of copper.

Tschudi is an open pit that is expected to mine 190 million tonnes of ore and waste over its 11 year mine life. The mine has a proven and probable JORC ore reserve of 22.7 million tonnes of ore at a grade of 0.95 per cent copper.

The ore will be processed using acid leaching, SX-EW technology. This is a proven process that bypasses the conventional concentrating and smelting steps to produce refined copper. Using this approach, the company expects output to average 17,000 tonnes of copper cathode annually.

Oil and Gas

Signet Petroleum Limited

- Oil and Gas Projects, Africa
- 42 per cent equity interest

The investment in Signet Petroleum forms part of the balanced risk investment strategy Polo has across the natural resources sector. During 2014, Signet disposed of its investment in Namibia which has served to both strengthen Polo's cash reserves whilst at the same time enabled Signet to work to secure further opportunity in the oil and gas sector in Africa. During the period under review, Signet launched a process to examine strategic alternatives, led by First Energy Capital LLP. The process remains ongoing.

In March 2014, following the sale of its 75 per cent interest in block 2913A/2914B in Namibia to Shell, Signet returned the capital not required for ongoing operations and investments by way of a share buyback offer.

Polo received US$22.8 million (5.1p per share) under the share buyback. Polo accepted the offer in respect of its entitlement and its holding in Signet remains unchanged at 42 per cent following completion of the buyback.

Signet undertook an internal reorganisation and implemented a dividend in specie under which Polo received 42 per cent of two new entities. The first structure holds a potential contingent bonus right on the sale of Signet's interests in block 2913A/2914B in Namibia which is dependent on future resources / reserve levels. A second structure has been formed aligned to the dividend to progress further investments. In June 2014 Signet participated in share placement in the independent oil and gas company Regalis, under which Signet acquired 444,445 shares in Regalis at a price of US$2.25 per share for a total consideration of US$10 million giving it an interest in approximately 9 per cent in Regalis Petroleum's share capital. Following the investment, Polo's undiluted interest in Regalis increased from its current holding of 7 per cent to a combined direct and indirect holding of 11 per cent in Regalis.

Signet Namibia's investment in Regalis, whilst not the transaction originally contemplated, gives the potential to further increase the return on Polo's original Signet investment and a net asset value increase attributable to the disposal of Signet's Namibian assets still remains with Polo and our shareholders, through our investment exposure to Signet and Regalis.

The First-Energy Capital LLP led strategic alternatives process remains ongoing for the remainder of the Signet portfolio, which includes:

- An 80 per cent operated interest in the Mnazi Bay North licence offshore Tanzania which 2D and 3D seismic indicates to contain an up dip extension of the BG/Ophir Chaza 1 gas discovery as part of a broader portfolio of prospects and leads;
- A 90 per cent operated interest in Block 03 offshore Benin;
- An 87.5 per cent operated interest in Block C in Lake Tanganyika Burundi where Signet has established an early mover position in a basin with close analogy to the Albertine Basin; and
- A 10 per cent interest, carried until the first exploration well, in Block SL-7A-10 offshore Sierra Leone in the Equatorial Atlantic Margin with possible analogues to deepwater discoveries in Ghana.

Regalis Petroleum Limited

- Oil and Gas Projects, Africa
- Combined direct and indirect holding of 11 per cent

Polo's interest in the private and independent oil and gas company, Regalis Petroleum Limited ("Regalis"), offers upside potential as Regalis works to acquire and develop key oil concessions in Chad, Namibia and other countries in sub-Saharan Africa.

In June 2014, Regalis raised US$10 million from Signet Nigeria at a price of US$2.25 per share which has given the company sufficient funds for it to operate into the first quarter of next year. The US$2.25 price is the same issuance price as the circa US$30 million raised since mid-2012 including the placements by institutional investors and the existing shareholders in multiple funding rounds since that time.

Polo holds a direct 7 per cent interest in Regalis and holds a further 4 per cent indirect interest through Signet Petroleum.

Regalis holds a 70 per cent operating interest in Block 2813B offshore Namibia and is in the late stage of finalizing a joint venture for a 72.5 per cent working interest in three prospective exploration blocks in the Republic of Chad for which the company is planning to drill an exploration well in early 2015. The recently raised funds and future funding will be applied to the drilling program. Further details will be provided once the necessary Governmental approval process is complete.

Equus Petroleum Plc

- Energy and Petroleum, Kazakhstan
- 1.95 per cent equity interest

Equus Petroleum Plc ("Equus"), is a Kazakhstan energy and petroleum company that operates oil and gas exploration and production activities in Central Kazakhstan through its Kazakh subsidiary Kumkol Trans Service LLP.

Equus is developing the Sarybulak oilfield, located within its 498-square kilometre licence in the oil producing South Turguay Basin, Central Kazakhstan. Sarybulak has been in operation since 2008 under a Pilot Production Licence, a component of the Exploration Licence, with all production to date being sold into the domestic market. Equus has constructed a central oil and gas processing facility in the field supporting the production that averaged 6774 (barrels of oil per day ("bopd") in 2014 under natural flow conditions, peaking at over 8,500 bopd. The majority of production came from the Sarybulak oilfield, with increasing contributions coming from Sorkol.

Sorkol has been granted a Pilot Production License and it is expected to contribute further to total field production in 2015 (Sorkol appraisal drilling well under progress).

Winter production levels have fluctuated between 6,500 and 7,500 bopd, as a result of weather and transportation restrictions. Export sales will commence following receipt of the production contract.

Ironstone Resources Limited

- Iron Ore, Vanadium and Precious Metal Projects, Canada
- 15.16 per cent equity interest

Ironstone is a private Canadian company which owns the Clear Hills Iron Ore/Vanadium Project ("Clear Hills") in Alberta, Canada.

Currently the Clear Hills NI 43-101 compliant resources are categorised as follows:

Indicated:

- 557 million tonnes iron, with an average grade of 33 per cent of iron
- 1.45 billion pounds of vanadium (as vanadium pentoxide)

Inferred:

- 96 million tonnes of iron, with an average grade of 33 per cent of iron

Ironstone is continuing its work on defining the Hatch-Ironstone Chloride Segregation process for the Clear Hills Project. Pilot testing has been completed through ore preparation, calcination, iron reduction and iron segregation stages of the process flow sheet development with very encouraging results. Current work at Hazen Research (Golden, CO) is focused on completion of the mineral processing segment of the flow sheet in advance of Ironstone commissioning its PEA.

The PEA is a National Instrument level document, prepared by an independent qualified person that performs a preliminary analysis at the economics of the Clear Hills polymetallic project, incorporating estimates of capital and operating expenses, to determine expected IRR and NPV. Anticipated to be completed in 2015, this document is an important precursor in attracting further institutional support, in order to raise funding for Ironstone's proposed major processing pilot campaign at FL Smidth (Bethlehem, PA) on commercial scale equipment in H2 2015. This month-long campaign will conclude the pilot testing phase of process flow sheet development on iron reduction and vanadium concentration.

In addition to the iron process development, Ironstone has commissioned further analytical work on extracting and concentrating of the vanadium from the tails after iron separation. Results to date have exceeded Ironstone's early objectives, with preliminary testing to be completed in November. The vanadium work is expected to be incorporated in the PEA.

Ironstone is also collaborating with North American Coal Corp. (www.nacoal.com), which has entered into a Services Agreement to provide technical advisory services and eventual contract mining operations. After a site visit in October this year, NACoal has commenced work on a mine plan for both coal and iron ore.

The Alberta government participated in a business mission to Asia in October 2014 and has exhibited at the China Mining Conference in Tianjin and the Exploration Exchange in Beijing, where it represented Ironstone's Clear Hills project to prospective strategic investors. Strong interest has been shown in Ironstone's Clear Hills project, specifically in how its products are targeted to China's eventual move to less polluting electric furnace steel-making and the country's recent emphasis on renewable energy development. In addition, Ironstone is in exploratory discussions with interested commodity buyers in Asia for future off-take agreements.

Early stage infrastructure development discussions have been held with independent rail companies seeking to build and operate the 70 kilometre rail spur to connect to the main CN Rail line to the east of the mine and proposed mill site, in addition to an independent power producer with innovative technology to capture waste heat and other process fuels to generate electricity. A conceptual plan to capture the Clear Hills waste heat and process fuels is in being developed for Ironstone which will serve to demonstrate the potentially significant energy credit Ironstone expects to realize through implementation of this energy conversion technology.

Ironstone has recently engaged a US-based specialised investment banking firm servicing the mining, metals and other industries in North and South America and Europe. Since 1997, this company has advised numerous companies regarding acquisitions, mergers, divestitures, and joint ventures, and has provided analysis of strategic options, valuations and fairness opinions. The objective is to seek alignment with a strategic investor with mining industry experience in a joint venture to advance through the next several phases of development including the planned demonstration pilot plant to full commercialization of the Clear Hills project.

Coal

GCM Resources Plc

- Coal Projects, Bangladesh
- 27.8 per cent equity interest

GCM has identified a world-class coal resource of 572 million tonnes (JORC compliant) in Northwest Bangladesh, called the Phulbari Coal Project. 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. Polo has continued to support GCM in its efforts to advance the project and in August 2013 participated in a placing initiated by GCM which secured further working capital.

Financial Review

The purpose of this review is to provide a further analysis of the Company's consolidated 2014 results and the main factors that affected this financial performance. The Financial Review should be read in conjunction with the financial statements and associated notes.

During the year, the Group made a loss on ordinary activities after taxation of US$19.1 million (2013: loss of US$16.2 million). This loss was significantly contributed by a prudent provision against the evaluation and exploration assets of its 90 per cent owned gold project in Sierra Leone amounting to US$28.2 million, and goodwill write-off of US$2.8 million, relating to its acquisition. It should be remembered that this headline figure is not necessarily indicative of a weakening financial performance as such variances are in the very nature of a natural resource investment company whose strategic focus extends further than a single reporting year. In the previous financial year, Polo increased its stake in Signet from 21.7 per cent to 46.9 per cent (since reduced to 42 per cent) through an issue of shares at a cost of US$15.72 million and invested a further US$20 million into further developing the gold project.

Basic loss per share for the year ended 30 June 2014 was US$7.07 cents (2013: basic loss per share of US$6.03 cents).

Focus sectors for our portfolio of investments in this reporting period centre largely on investments across the oil, gas, gold and phosphate sectors. In the 2013/14 financial year, the board has continued to support the on-going development of its key assets and acquired new investments.

Following the sale of Signet's interests in Block 2913A/2914B in Namibia to Shell Exploration and Production in a confidential transaction, implemented a dividend in specie and a share buy-back offer. Polo received approximately US$22.80 million in respect of the buy-back (equivalent to approximately 5.1 pence per Polo share). The aforementioned proceeds compared favourably to the historic cost of Polo's investment in Signet of US$42.7 million when considered against Signet's remaining portfolio of oil and gas assets.

In March 2014, Polo announced take up of a placement by Celamin, an ASX listed company holding phosphate interests in Tunisia, representing a strategic 12.7 per cent stake in the expanded fully paid capital of Celamin for an investment of A$1.2 million. The Company also participated in a placement in ASX listed West Australian gold explorer Blackham, under which the Company acquired 4.2 per cent of Blackham's enlarged undiluted issued ordinary share capital for a total consideration of A$1 million. In May 2014, Polo increased interest in Blackham Resources for A$1 million cash and A$2 million in new share allotment, increasing its investment in Blackham to a combined direct and indirect holding of 11.85 per cent.

The Board of Polo is sensitive to the impact of current market sentiment towards junior exploration-stage resource companies and of the correction in the prices of many commodities, such as gold, during the reporting period under review. Whilst these factors have combined to create a difficult operating environment across the board for junior resource companies, Polo's strategy of developing a broad-based portfolio of projects and investments capable of delivering positive shareholder returns has enabled the Company to retain the financial flexibility to optimise asset value over the medium and longer-terms. Against this backdrop, Polo reported a decrease in Company administrative expenses to US$2.2 million (2013: US$3.3 million) which is reflective of Polo's focus on prudent financial management and use of available resources during the current difficult economic environment. Further savings are anticipated in the current year to 30 June 2015.

Financial Position

The Directors have reviewed the Group's budgets for 2015, as well as longer-term financial cash flow projections and have considered a range of different scenarios together with their associated risks and uncertainties, and the impact of these scenarios on the Company's cash balances. Additionally, the Directors have assessed the likelihood of future funding requirements. Based on these activities, the Directors are satisfied that the Company maintains a strong financial position from the date of the signing of these financial statements, enabling Polo to take a flexible approach to the acquisition and disposal of investments.

As at 12th December 2014, the Group had a net position of cash, receivables and short term investments of US$35.6 million. Combined value of unlisted investments amounted to US$75.6 million and long term listed investments marked to market value amounted to US$6.6 million. The combined total of cash, receivables, payables, listed and unlisted equity investments was therefore US$120.1 million as of 12th December 2014 on this basis which is equivalent to a Net Asset value of approximately 27.2 pence per Polo share.

Outlook

Polo continues to press ahead with its strategic investment activities and will allocate further financial resources to key investments on the basis of anticipated future returns.

Although all natural resource investments remain vulnerable to near-term market instabilities, the Company remains positive about the longer-term fundamentals of the resource sector and am particularly focused on achieving near-term returns which in turn will strengthen our financial position. The Company will continue to keep shareholders advised as and when developments are confirmed.

Principal Risks and Uncertainties

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management to budgets and forecasts. Project milestones and timelines are regularly reviewed.

The principal risks facing the Company are set out below. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

General and Economic Risks

- Contractions in the world's major economies or increases in the rate of inflation resulting from international conditions;
- Movements in the equity and share markets in the United Kingdom and throughout the world;
- Weakness in global equity and share markets in particular, in the United Kingdom, and adverse changes in market sentiment towards the natural resource industry;
- Currency exchange rate fluctuations and, in particular, the relative prices of US Dollar, Australian Dollar, Canadian Dollar, Singapore Dollar and the UK Pound;
- Exposure to interest rate fluctuations; and
- Adverse changes in factors affecting the success of exploration and development operations, such as increases in expenses, changes in government policy and further regulation of the industry; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

Funding Risk

- The Group or the companies in which it has invested may not be able to raise, either by debt or further equity, sufficient funds to enable completion of planned exploration, investment and/or development projects.

Commodity Risk

- Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a wide range of factors, most of which are outside the control of the Company. Mining, processing and transportation costs also depend on many factors, including commodity prices, capital and operating costs in relation to any operational site.

Exploration and Development Risks (relating to investments)

- Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
- Success in identifying economically recoverable reserves can never be guaranteed. The Company also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.
- Some of the countries in which the Company operates have native title laws which could affect exploration and development activities. The companies in which the Company has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes which may vary from country to country. The Group's policy is to follow all applicable laws and regulations and the Company is not currently aware of any material issues in this regard.
- Timely approval of mining permits and operating plans through the respective regulatory agencies cannot be guaranteed.
- Availability of skilled workers is an ongoing challenge.
- Geology is always a potential risk in mining activities.

Market Risk

- The ability of the Group (and the companies it invests in) to continue to secure sufficient and profitable sales contracts to support its operations is a key business risk.

Management and Leadership

Good governance ensures that the highest standards are maintained across all aspects of the Company's operations. The commitment to responsible governance begins at Board level and flows throughout the Polo Resources operation.

Michael Tang (aged 41)

Executive Chairman

Mr. Tang is the principal of Mettiz Capital Limited, an investment company with significant corporate and financial experience in natural resources, power generation, manufacturing and real estate and which has a 14.55% shareholding in the Company. Mr. Tang qualified as a barrister in London and holds a Bachelor of Laws degree from the London School of Economics and Political Science.

Gary Lye (aged 61)

Non-Executive Director

Mr. Lye has over 40 years' experience in natural resources having held senior positions with several leading mining companies. He is currently CEO of Asia Energy Corporation (Bangladesh) Pty Ltd., operating subsidiary of GCM Resources Plc where he is COO. From 1994 - 2003 he was with Kalgoorlie Consolidated Gold Mines Pty Ltd as manager of strategic mine development at their Super Pit operations in Kalgoorlie, Western Australia. He has previously acted as Manager of Mining Research for CRA in Perth, Western Australia and spent many years with Bougainville Copper Ltd. in Papua New Guinea. Gary has a Master's Degree in Rock Mechanics from the Royal School of Mines in London and an Honours Degree in Geology from the University of Queensland, Australia. He is a member of the Australian Institute of Mining and Metallurgy (AUSIMM).

Kian Meng Cheah (aged 41)

Non-Executive Director

Mr. Kian Meng Cheah has more than 16 years banking and investment management experience with financial institutions in South East Asia including Standard Chartered Bank and Merrill Lynch International. He has held a number of private company directorships in Singapore and Malaysia involved in private equity and real estate investment. He is an Executive Director and a member of the Investment Committee of Infiniti Premium Resources Ltd., a fund focusing on resource-based industries with current investments in gold mines across Asia, Australia and Africa. Mr. Cheah is also an Executive Director of the Select Equity Growth Ltd. fund with a focus across diversified sectors in South East Asia, Hong Kong and Australia. He holds a Bachelor of Commerce (Accounting) from Curtin University of Technology, Australia.

Forward-looking Statements

Certain statements in this report are ''Forward Looking statements''. These statements are not based on historical facts, but rather on the management's expectations regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, planned exploration and development drilling activity and the results of such drilling activity, business prospects and opportunities. Such Forward Looking statements reflect management's current beliefs and assumptions and are based on information currently available to management.

Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes, the results of exploration and development drilling and related activities, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although the forward-looking statements contained in this Document are based upon what management believes to be reasonable assumptions the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

Directors' Report

For the year ended 30 June 2014

The Directors are pleased to present this year's Annual Report together with the consolidated financial statements for the year ended 30 June 2014.

Principal Activity

The principal activity of the Group is that of a natural resources investment company focused on investing in undervalued companies and projects with strong fundamentals and attractive growth prospects. Polo aims to build a diversified portfolio of mineral and hydrocarbon assets which the Board of Directors consider as offering substantial growth potential, pursuing both short and long-term value enhancing investments.

Business Review and Future Developments

A review of the current and future development of the Group's business is given in the Chairman's Statement, Finance Review and Investment update on pages 4 to 13.

Results and Dividends

Loss on ordinary activities of the Group after taxation amounted to US$19.1million (2013: Loss US$16.2million). The Directors do not recommend payment of a dividend in respect of the financial year under review.

Key Performance Indicators

Given the nature of the business the Directors are of the opinion that analysis using KPIs is not appropriate for an understanding of the development, performance or position of the business at this time.

Post Balance Sheet Events

At the date these financial statements were approved, being 16 December 2014, the Directors were not aware of any significant post balance sheet events other than those set out in the notes to the financial statements.

Directors

The names of the Directors who served and any changes during the year are set out below:

Director	Date of Appointment	Date of Resignation
Executive Directors		
Michael Tang		
Stephen Dattels		17 October 2013
Ian Burns		22 January 2014
Non-Executive Directors		
Guy Elliott		31 January 2014
Kian Meng Cheah		
Gary Lye	10 April 2014	

Directors' Remuneration

The Company remunerates the Directors at a level commensurate with the size of the Company and the experience of its Directors. The Remuneration Committee has reviewed the Directors' remuneration and believes it upholds the objectives of the Company with regard to this issue. Details of the Directors' emoluments and payments made for professional services rendered are set out in Note 8 to the financial statements.

Directors' Interests

The total beneficial interests of the serving Directors in the shares and options of the Company during the year to 30 June 2014 were as follows:

	30 June 2014 or earlier date of resignation		30 June 2013	
Director	Shares	Options*	Shares	Options*
Michael Tang	39,218,775	6,000,000	39,218,775	6,000,000
Stephen Dattels	10,759,592	4,000,000	10,759,592	4,000,000
Guy Elliott	1,000,000	1,000,000	1,000,000	1,000,000
Ian Burns	800,000	1,000,000	800,000	1,000,000
Kian Meng Cheah	-	-	-	-
Gary Lye	-	-	-	-

* The option details have been fully disclosed in Note 20 to the financial statements.

Corporate Governance

A statement on Corporate Governance is set out on pages 22 to 23.

Environmental Responsibility

The Company is aware of the potential impact that activities conducted by it and some of its subsidiary companies may have on the environment. The Company ensures that it, and its subsidiaries at a minimum, comply with the local regulatory requirements and the revised Equator Principles with regard to the environment.

Employment Policies

The Group is committed to promoting policies which ensure that high calibre employees and consultants are attracted, retained and motivated to ensure the ongoing success for the business. Employees and those who seek to work within the Group are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin.

Directors' Report (continued)

For the year ended 30 June 2014

Health and Safety

The Group aims to achieve and maintain a high standard of workplace safety. In order to achieve this objective the Group provides ongoing training and support to employees and set demanding standards for workplace safety.

Payment to Suppliers

The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement provided the supplier has met the terms and conditions. Suppliers are typically paid within 30 days of issue of invoice.

Political Contributions and Charitable Donations

During the year the Group did not make any political contributions or charitable donations.

Annual General Meeting ("AGM")

This report and financial statements will be presented to shareholders for their approval at the AGM. The Notice of the AGM will be distributed to shareholders together with the Annual Report.

Statement of Disclosure of Information to Auditors

As at the date of this report the serving Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

A resolution to re-appoint Chapman Davis LLP and to authorise the Directors to fix their remuneration will be proposed at the next Annual General Meeting.

Going Concern

The Directors are of the opinion that ongoing evaluation of the Company's various interests indicate that preparation of the Group's accounts on a going concern basis is appropriate.

Statement of Directors' Responsibilities

The Directors prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the Annual Report includes information required by AIM, the market of that name operated by The London Stock Exchange.

Electronic Communication

The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Company's website is maintained in accordance with AIM Rule 26.

Legislation in the British Virgin Islands governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

By order of Board:

Michael Tang
Executive Chairman
16 December 2014

Corporate Governance Statement

For the year ended 30 June 2014

The Board is committed to maintaining high standards of corporate governance. The Listing Rules of the Financial Services Authority incorporate the UK Corporate Governance Code (formerly the Combined Code), which sets out the principles of Good Governance, and the Code of Best Practice for listed companies. Whilst the Company is not required to comply with the UK Corporate Governance Code ("UK Code"), the Company's corporate governance procedures take due regard of the principles of Good Governance set out in the UK Code in relation to the size and the stage of development of the Company.

Board of Directors

The Board of Directors currently comprises one Executive Director, whom is the Chairman, and two Non-Executive Directors. The Directors are of the opinion that the Board currently comprises a suitable balance and that the recommendations of the UK Code have been implemented to an appropriate level. The Board maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

Board Meetings

The Board meets regularly throughout the year. For the year ending 30 June 2014 the Board met 9 times in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Directors who are charged with consulting the Board on all significant financial and operational matters.

All Directors have access to the advice of the Company's solicitors and other professional advisers as necessary and information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. All Directors have access to independent professional advice, at the Company's expense, as and when required.

Board Committees

The Board has established the following committees, each of which has its own terms of reference:

Audit Committee
The Audit Committee considers the Group's financial reporting (including accounting policies) and internal financial controls. The Audit Committee comprises the Executive Director, and one Non-Executive Director; Kian Meng Cheah (Chairman), and Michael Tang and are responsible for ensuring that the financial performance of the Group is properly monitored and reported on.

Remuneration Committee
The Remuneration Committee is responsible for making recommendations to the Board in respect of Directors' and senior executives' remuneration. It comprises the Executive Director and one Non-Executive Director; Kian Meng Cheah (Chairman), and Michael Tang. Non-Executive Directors' remuneration and conditions are considered and agreed by the Board. Financial packages for Executive Directors are established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievements and of recognised job qualifications and skills. The Committee will also have regard to the terms which may be required to attract an equivalent experienced executive to join the Board from another company.

Internal Controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. The Directors are aware that no system can provide absolute assurance against material misstatement or loss. However, in the interest of the further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Insurance

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company.

Treasury Policy

The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group and take advantage of opportunities as they arise. Decisions regarding the management of these assets are approved by the Board. Refer Note 22.

Securities Trading

The Board has adopted a Share Dealing Code that applies to Directors, senior management and any employee who may be in possession of 'inside information'. All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

Relations with Shareholders

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements and regular updates of the Company website. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

Independent Auditors' Report

For the year ended 30 June 2014

We have audited the Group and parent company financial statements of Polo Resources Limited for the year ended 30 June 2014, which comprise the Group and Parent Statements of Comprehensive Income, the Group and Parent Balance Sheets, Group and Parent Cash Flow Statements, Group and Parent Statements of Changes in Equity, and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2014 and of the Group's and the Parent Company's loss and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with Article 4 of the IAS Regulation. and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following where we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Chapman Davis LLP
Registered Auditors
London, United Kingdom
16 December 2014

Group Statement of Comprehensive Income

For the year ended 30 June 2014

	Notes	Year ended 30 June 2014 $ 000's	Year ended 30 June 2013 $ 000's
(Loss) on sale of investments		**(1,317)**	(7,542)
Investment income	5	**4,324**	390
Reversal of (Provision) for loss on option		**742**	(742)
Administrative & Exploration expenses		**(2,199)**	(3,302)
Share options expensed	8, 20	**(290)**	(2,467)
Currency exchange gain/(loss)		**50**	(21)
Goodwill written off		**(2,815)**	-
Expensed exploration costs on disposal	13	**(971)**	-
Impairment of exploration and evaluation costs	13	**(27,255)**	-
Group operating (loss)	3	**(29,731)**	(13,684)
Share of associates results	15	**10,423**	(3,456)
Finance revenue	7	**196**	590
Other income	6	**-**	372
(Loss) before taxation	2	**(19,112)**	(16,178)
Income tax expense	9	**-**	-
Retained (loss) for the year		**(19,112)**	(16,178)
Other comprehensive income			
(Loss)/profit on revaluation of available for sale investments		**(3,142)**	3,892
Transfer to income statement of available for sale investments		**-**	7,471
Currency translation differences		**354**	(606)
Other comprehensive income for the year net of taxation		**(2,788)**	10,757
Total comprehensive income for the year		**(21,900)**	(5,421)
Retained (loss) for the year attributable to:			
Equity holders of the parent		**(16,280)**	(16,173)
Non-controlling interests		**(2,832)**	(5)
		(19,112)	(16,178)
Total comprehensive income for the year attributable to:			
Equity holders of the parent		**(19,008)**	(5,416)
Non-controlling interests		**(2,832)**	(5)
		(21,900)	(5,421)
(Loss) earnings per share (US cents)			
Basic	11	**(7.07)**	(6.49)
Diluted	11	**(6.55)**	(6.33)

Company Statement of Comprehensive Income

For the year ended 30 June 2014

	Notes	Year ended 30 June 2014 $ 000's	Year ended 30 June 2013 $ 000's
Administrative expenses		**(2,106)**	(3,264)
Share options expensed	**8, 20**	**(290)**	(2,467)
Currency exchange gain/(loss)		**40**	(26)
Loan to subsidiary written off		**-**	(897)
(Loss) on sale of investments		**-**	(1,651)
Operating (loss)	**3**	**(2,356)**	(8,305)
Finance revenue	**7**	**196**	590
Other income	**6**	**175**	547
(Loss) before taxation		**(1,985)**	(7,168)
Income tax expense	**9**	**-**	-
Retained (loss) after taxation		**(1,985)**	(7,168)
Other comprehensive income			
Transfer to income statement of available for sale investments		**-**	1,519
Currency translation differences		**303**	(2)
Other comprehensive income for the year net of taxation		**303**	1,517
Total comprehensive income for the year		**(1,682)**	(5,651)

Group Balance Sheet

As at 30 June 2014

	Note	30 June 2014 $ 000's	30 June 2014 $ 000's	30 June 2013 $ 000's	30 June 2013 $ 000's
ASSETS					
Non-current assets					
Intangible assets	**12**	**-**		2,815	
Tangible assets	**13**	**19,802**		44,190	
Interest in associates	**15**	**59,462**		68,370	
Available for sale investments	**16**	**24,743**		23,728	
Trade and other receivables	**17**	**3,342**		4,689	
Total non-current assets			**107,349**		143,792
Current assets					
Trade and other receivables	**17**	**273**		169	
Available for sale investments	**16**	**9,284**		3,027	
Cash and cash equivalents		**30,583**		21,890	
Total current assets			**40,140**		25,086
TOTAL ASSETS			**147,489**		168,878
LIABILITIES					
Current liabilities					
Trade and other payables	**18**	**(3,841)**		(5,469)	
TOTAL LIABILITIES			**(3,841)**		(5,469)
NET ASSETS			**143,648**		163,409
EQUITY					
Equity contribution		**303,059**		301,210	
Retained earnings		**(179,010)**		(162,730)	
Available for sale investment reserve		**821**		3,963	
Foreign exchange reserve		**18,013**		17,659	
Share based payments reserve	**20**	**2,123**		1,833	
			145,006		161,935
Non-controlling interest			**(1,358)**		1,474
TOTAL EQUITY			**143,648**		163,409

These financial statements were approved by the Board of Directors on 16 December 2014 and signed on its behalf by:

Michael Tang
EXECUTIVE CHAIRMAN

Kian Meng Cheah
NON-EXECUTIVE DIRECTOR

Company Balance Sheet

As at 30 June 2014

	Notes	30 June 2014 $ 000's	30 June 2014 $ 000's	30 June 2013 $ 000's	30 June 2013 $ 000's
ASSETS					
Non-current assets					
Tangible assets	**13**	**-**		-	
Investment in subsidiaries	**14**	**-**		-	
Trade and other receivables	**17**	**148,180**		156,635	
Total non-current assets			**148,180**		156,635
Current assets					
Trade and other receivables	**17**	**494**		254	
Available for sale of investments	**16**	**797**		797	
Cash and cash equivalents		**30,452**		21,411	
Total Current Assets			**31,743**		22,462
TOTAL ASSETS			**179,923**		179,097
LIABILITIES					
Current Liabilities					
Trade and other payables	**18**	**(770)**		(401)	
TOTAL LIABILITIES			**(770)**		(401)
NET ASSETS			**179,153**		178,696
EQUITY					
Equity contribution		**303,059**		301,210	
Retained earnings		**(130,339)**		(128,354)	
Foreign exchange reserve		**4,310**		4,007	
Available for sale investment reserve		**-**		-	
Share based payments reserve	**20**	**2,123**		1,833	
TOTAL EQUITY			**179,153**		178,696

These financial statements were approved by the Board of Directors on 16 December 2014 and signed on its behalf by:

Michael Tang
Executive Chairman

Kian Meng Cheah
Non-Executive Director

Group Cash Flow Statement

For the year ended 30 June 2014

	Notes	Year ended 30 June 2014 $ 000's	Year ended 30 June 2013 $ 000's
Cash flows from operating activities			
Operating (loss)		**(29,731)**	(13,684)
(Increase)/decrease in trade and other receivables		**(104)**	1,838
(Decrease)/increase in trade and other payables		**(1,628)**	1,217
(Increase)/decrease in available for sale investments		**(9,149)**	6,218
Foreign exchange (gain)/loss		**(50)**	21
Share options expensed		**290**	2,467
(Reversal of)/provision for loss on option		**(742)**	742
Goodwill written-off		**2,815**	-
Depreciation & impairment		**28,226**	11
Net cash (out)flow from operating activities		**(10,073)**	(1,170)
Cash flows from investing activities			
Finance revenue		**63**	424
Other income		**-**	372
Taxation paid		**-**	(1,808)
Net receipts for investments in associates		**21,180**	-
Payments to acquire tangible assets		**(3,838)**	(22,012)
Loan repayments from third party		**1,404**	-
Net cash in/(out)flow from investing activities		**18,809**	(23,024)
Cash flows from financing activities			
Issue of ordinary share capital		**-**	-
Net cash (out)flow from financing activities		**-**	-
Net increase/(decrease) in cash and cash equivalents		**8,736**	(24,194)
Cash and cash equivalents at beginning of year		**21,890**	42,017
Exchange (loss)/gain on cash and cash equivalents		**(43)**	4,067
Cash and cash equivalents at end of year	**21**	**30,583**	21,890

Company Cash Flow Statement

For the year ended 30 June 2014

	Notes	**Year ended 30 June 2014 $ 000's**	Year ended 30 June 2013 $ 000's
Cash flows from operating activities			
Operating (loss)		**(2,356)**	(8,305)
(Increase)/decrease in trade and other receivables		**(240)**	1,331
Increase(decrease) in trade and other payables		**369**	(44)
Decrease/(increase) in available for sale investments		**-**	1,805
Share options expensed		**290**	2,467
Loan to subsidiary written off		**-**	897
Foreign exchange (gain)/loss		**(40)**	26
Depreciation		**-**	11
Net cash (out)flow from operating activities		**(1,977)**	(1,812)
Cash flows from investing activities			
Finance Revenue		**63**	424
Other income		**-**	372
Loans repaid/(advanced) from/to subsidiaries		**9,478**	(18,248)
Loan repaid/(advanced) from/to third party		**1,404**	(2,189)
Net cash in/(out)flow from investing activities		**10,945**	(19,641)
Cash flows from financing activities			
Issue of ordinary share capital		**-**	-
Net cash (out)flow from financing activities		**-**	-
Net increase/(decrease) in cash and cash equivalents		**8,968**	(21,453)
Cash and cash equivalents at beginning of year		**21,411**	41,576
Exchange gain on cash and cash equivalents		**73**	1,288
Cash and cash equivalents at end of year	21	**30,452**	21,411

Group Statement of Changes in Equity

For the year ended 30 June 2014

Group	Equity contribution $ 000's	Available for sale investment reserve $ 000's	Foreign currency translation reserve $ 000's	Share based payment reserve $ 000's	Retained earnings $ 000's	Total $ 000's	Non-controlling interest $ 000's	Total equity $ 000's
As at 1 July 2012	**285,491**	**(6,729)**	**15,646**	**1,314**	**(146,557)**	**149,165**	**1,479**	**150,644**
(Loss) for the year	-	-	-	-	(16,173)	**(16,173)**	**(5)**	**(16,178)**
(Loss) on revaluation of available for sale investments	-	3,892	-	-	-	**3,892**	-	**3,892**
Transfer to income statement	-	7,471	-	-	-	**7,471**	-	**7,471**
Currency translation differences	-	(671)	2,013	-	(1,948)	**(606)**	-	**(606)**
Total comprehensive income	-	**10,692**	**2,013**	-	**(18,121)**	**(5,416)**	**(5)**	**(5,421)**
Share based payments	-	-	-	2,467	-	**2,467**	-	**2,467**
Share options cancelled	-	-	-	(1,948)	1,948	-	-	-
Shares issued	15,719	-	-	-		**15,719**	-	**15,719**
Total contributions by and distributions to owners of the Company	15,719	-	-	519	1,948	**18,186**	-	**18,186**
As at 30 June 2013	**301,210**	**3,963**	**17,659**	**1,833**	**(162,730)**	**161,935**	**1,474**	**163,409**
(Loss) for the year	-	-	-	-	(16,280)	**(16,280)**	**(2,832)**	**(19,112)**
(Loss) on revaluation of available for sale investments	-	(3,142)	-	-	-	**(3,142)**	-	**(3,142)**
Currency translation differences	-	-	354	-	-	**354**	-	**354**
Total comprehensive income	-	**(3,142)**	**354**	-	**(16,280)**	**(19,008)**	**(2,832)**	**(21,900)**
Share based payments	-	-	-	290	-	**290**	-	**290**
Shares issued	1,849	-	-	-	-	**1,849**	-	**1,849**
Total contributions by and distributions to owners of the Company	1,849	-	-	290	-	**2,139**	-	**2,139**
As at 30 June 2014	**303,059**	**821**	**18,013**	**2,123**	**(179,010)**	**145,006**	**(1,358)**	**143,648**

Company Statement of Changes in Equity

For the year ended 30 June 2014

	Equity contribution	Available for sale investment reserve	Foreign exchange reserve	Share based payment reserve	Retained earnings	Total equity
Company	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
As at 1 July 2012	**285,491**	**(1,519)**	**4,009**	**1,314**	**(123,134)**	**166,161**
(Loss) for the year	-	-	-	-	(7,168)	**(7,168)**
Transfer to income statement	-	1,519	-	-	-	**1,519**
Currency translation differences	-	-	(2)	-	**-**	**(2)**
Total comprehensive income	**-**	**1,519**	**(2)**	**-**	**(7,168)**	**(5,651)**
Share based payments	-	-	-	2,467	-	**2,467**
Share options cancelled	-	-	-	(1,948)	1,948	**-**
Shares issued	15,719	-	-	-	-	**15,719**
Total contributions by and distributions to owners of the Company	15,719	-	-	519	1,948	**18,186**
As at 30 June 2013	**301,210**	**-**	**4,007**	**1,833**	**(128,354)**	**178,696**
(Loss) for the year	-	-	-	-	(1,985)	**(1,985)**
Currency translation differences	-	-	303	-	-	**303**
Total comprehensive income	**-**	**-**	**303**	**-**	**(1,985)**	**(1,682)**
Share based payments	-	-	-	290	-	**290**
Shares issued	1,849	-	-	-	-	**1,849**
Total contributions by and distributions to owners of the Company	**1,849**	**-**	**-**	**290**		**2,139**
As at 30 June 2014	**303,059**	**-**	**4,310**	**2,123**	**(130,339)**	**179,153**

Notes to the Financial Statements

For the year ended 30 June 2014

1 Summary of Significant Accounting Policies

(a) Authorisation of financial statements

The Group financial statements of Polo Resources Limited for the year ended 30 June 2014 were authorised for issue by the Board on 16 December 2014 and the balance sheets signed on the Board's behalf by Michael Tang and Kian Meng Cheah. The Company is registered in the British Virgin Islands under the BVI Business Companies Act 2004 with registered number 1406187. The Company's Ordinary Shares are traded on the AIM, the market of that name operated by the London Stock Exchange.

(b) Statement of compliance with IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's and Subsidiaries' financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

Future changes in accounting policies

IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements:

New/Revised International Financial Reporting Standards (IAS/IFRS)	Effective date (accounting periods commencing on or after)
IAS 27 Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (as amended in May 2011)	1 January 2014
IFRS 10 Consolidated Financial Statements*	1 January 2014
IFRS 11 Joint Arrangements*	1 January 2016
IFRS 12 Disclosure of Interests in Other Entities*	1 January 2014
Amendment to IAS32 Financial Instruments Presentation	1 January 2014
Amendments to IFRS9 Financial Instruments	1 January 2015

* Original issue May 2011

(c) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

The financial report is presented in US Dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

(d) Basis of consolidation

The consolidated financial information incorporates the results of the Company and its subsidiaries (the “Group") using the purchase method. In the consolidated balance sheet, the acquiree’s identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained. Inter-company transactions and balances between Group companies are eliminated in full.

(e) Business combinations

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are taken into consideration when assessing whether the group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group’s voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, for example the reappointment of directors in general meeting etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of acquiree’s identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(f) Interest in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting except when classified as held for sale. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associates, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are not recognised unless the Group has an obligation to fund such losses.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

(g) Goodwill and intangible assets

Intangible assets are recorded at cost less eventual amortisation and provision for impairment in value. Goodwill on consolidation is capitalised and shown within fixed assets. Positive goodwill is subject to an annual impairment review, and negative goodwill is immediately written-off to the income statement when it arises.

(h) Interest in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

These consolidated financial statements include the Group's share of the total recognised gains and losses of joint ventures using the equity method, from the date that significant influence or joint control commences to the date that it ceases, based on present ownership interests and excluding the possible exercise of potential voting rights, less any impairment losses. When the Group's interest in a joint venture has been reduced to nil because the Group's share of losses exceeds its interest in the joint venture, the Group only provides for additional losses to the extent that it has incurred legal or constructive obligations to fund such losses, or where the Group has made payments on behalf of the joint venture. Where the disposal of an investment in a joint venture is considered to be highly probable, the investment ceases to be equity accounted and, instead, is classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell.

(i) Revenue

The Groups' principal income was derived from investment activities during the year ending 30 June 2014.

(j) Foreign currencies

The Company's functional currency is US Dollar ($). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Polo Resources Limited, which is US Dollar ($), at the rate of exchange ruling at the balance sheet date and their income statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

All other differences are taken to the income statement with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

(k) Significant accounting judgments, estimates and assumptions

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

(ii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

(l) Finance costs/revenue

Borrowing costs are recognised as an expense when incurred.

Finance revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(m) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in-hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(n) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(o) Available for sale Investments

Equity investments other than subsidiaries, associates and joint ventures are classified as available-for-sale investments. They are carried at fair value, where this can be reliably measured, with movements in fair value recognised directly in the available-for-sale reserve. Where the fair value cannot be reliably measured, the investment is carried at cost.

Any impairment losses in equity investments classified as available-for-sale investments are recognised in the income statement and are not reversible through the income statement, and are determined with reference to the closing market share price at the balance sheet date. Any subsequent increase in the fair value of the available-for-sale investment above the impaired value will be recognised within the available-for-sale reserve.

Available-for-sale investments are included within non-current assets unless the carrying value is expected to be recovered principally through sale rather than continuing use, in which case they are included within current assets. On disposal, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had previously been recognised directly in reserves is recognised in the income statement.

Income from available-for-sale investments is accounted for in the income statement on an accruals basis.

(p) Financial instruments

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors. The Group has held active overseas subsidiaries in BVI, Guernsey and Sierra Leone whose expenses are denominated in US Dollars, AU Dollars and Leone. Market price risk is inherent in the Group's activities and is accepted as such.

There is no material difference between the book value and fair value of the Group's cash.

(q) Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the tax computations, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case it is also dealt with in equity.

(r) Equity contribution

This reserve is used to record the valuation of shares issued, less any attributable costs of these issues, and other specific capital related costs.

(s) Available for sale investment reserve

This reserve is used to record the post-tax fair value movements in available-for-sale investments.

(t) Share based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration and provided to consultants and advisers hired by the Group from time to time as part of the consideration paid.

(u) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(v) Property, plant and equipment

General

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Land is measured at fair value less any impairment losses recognised after the date of revaluation. Depreciation is provided on all tangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

- Land (including option costs) – Nil
- Plant and Equipment – between 5% and 25%

All assets are subject to annual impairment reviews.

Exploration and evaluation

Once a licence to explore an area has been secured, expenditures on exploration and evaluation activities are capitalised within property, plant and equipment.

The Company records its capitalised exploration and evaluation at cost. The capitalised cost is based on cash paid, the value of share consideration and exploration costs incurred. The recoverable values are not always readily determinable and are dependent on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

All costs related to the acquisition, exploration and evaluation of these interests are capitalised on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are moved into development or production, sold or management has determined there to be an impairment of the value.

Management reviews the carrying value of capitalised exploration and evaluation costs at least annually. In the case of undeveloped projects, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding the Company's intentions for development of the undeveloped property. In some cases, the undeveloped properties are regarded as successors to ore bodies currently in production. Where this is the case, it is intended that these will be developed and go into production when the current source of ore is exhausted or to replace the reduced output.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to mining interests within property, plant and equipment.

Mining interests

Mining interests represent capitalised expenditures related to the development of mining properties, acquisition costs, capitalised borrowing costs, expenditures related to exploration and evaluation transferred in and estimated site closure and reclamation costs.

Capitalised costs are depleted using the unit of production method over the estimated economic life of the mine to which they relate.

Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation, depletion and impairment charges.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment.

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalised. Any remaining book value associated with the component being replaced is derecognised upon its replacement. Directly attributable expenses incurred for major capital projects and site preparation are capitalised until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognised as a provision.

(v) Property, plant and equipment (continued)

Depreciation

Mining interests are depreciated to estimated residual value using the unit-of-production method based on the estimated total recoverable ounces contained in proven and probable reserves at the related mine when the production level intended by management has been reached ("commencement of commercial production").

The production level intended by management is considered to be reached when operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time and there are indicators that these operating results will be sustained. Other factors include one or more of the following:

- A significant utilisation rate of plant capacity has been achieved;
- A significant portion of available funding is directed towards operating activities;
- A pre-determined, reasonable period of time of stable operation has passed; and
- A development project significant to the primary business objective of the Company has been completed and significant milestones have been achieved.

Management reviews the estimated useful lives, residual values and depreciation methods of the Company's property, plant and equipment at the end of each reporting period and when events and circumstances indicate that such a review should be made. Changes to estimated useful lives, residual values or depreciation methods resulting from such review are accounted for prospectively.

Plant and equipment cost is depreciated, using the straight-line method over their estimated useful lives, if shorter than the mine life, otherwise they are depreciated on the unit-of-production basis.

Plant and equipment includes building, plant and equipment, vehicles, furniture and fixtures and computer equipment and their estimated useful lives ranges from 2.5 years to 10 years.

Assets under construction are depreciated when they are complete and available for their intended use, over their estimated useful lives.

(w) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(x) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(y) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

(z) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to employees (including senior executives) and consultants of the Group in the form of share-based payments, whereby employees and consultants render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Polo Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees and consultants become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 11).

(aa) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of Ordinary Shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential Ordinary Shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential Ordinary Shares; divided by the weighted average number of Ordinary Shares and dilutive potential of Ordinary Shares, adjusted for any bonus element.

2 Segmental analysis - Group

Segment information is presented in respect of the Group's management and internal reporting structure. As currently the Group is not in production, there is no revenue being generated, and the main business segment is that of an investment group and corporate administrative entity.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

By geographical area

2014	**BVI/Parent**	**Americas**	**Australasia**	**Africa**	**Europe**	**Total**
	$ 000's	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
Result						
Operating profit/(loss)	1,403	-	-	(31,134)	-	**(29,731)**
Share of associates results	-	-	-	11,019	(596)	**10,423**
Finance revenue	196	-	-	-	-	**196**
Profit/(loss) before taxation	1,599	-	-	(20,115)	(596)	**(19,112)**
Other information						
Depreciation and amortisation	-	-	-	-	-	**-**
Capital additions	-	-	-	3,838	-	**3,838**
Assets						
Segment assets	21,214	12,813	2,777	47,382	29,105	**113,291**
Financial assets	3,487	-	-	128	-	**3,615**
Cash	30,452	-	-	131	-	**30,583**
Consolidated total assets	55,153	12,813	2,777	47,641	29,105	**147,489**
Liabilities						
Segment liabilities	-	-	-	-	-	**-**
Financial liabilities	770	-	-	3,071	-	**3,841**
Consolidated total liabilities	770	-	-	3,071	-	**3,841**

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2 Segmental analysis – Group (continued)

By geographical area

2013	**BVI/Parent**	**Americas**	**Australasia**	**Africa**	**Europe**	**Total**
	$ 000's	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**	**$ 000's**
Result						
Operating (loss)	(7,107)	-	(6,530)	(47)	-	**(13,684)**
Share of associates results	-	-	-	(1,975)	(1,481)	**(3,456)**
Other income	372	-	-	-	-	**372**
Finance revenue	590	-	-	-	-	**590**
(Loss) before taxation	(6,145)	-	-	(2,022)	(1,481)	**(16,178)**
Other information						
Depreciation and amortisation	11	-	-	-	-	**11**
Capital additions	-	-	-	22,012	-	**22,012**
Assets						
Segment assets	3,027	11,914	-	98,187	29,002	**142,130**
Financial assets	4,768	-	-	90	-	**4,858**
Cash	21,411	-	-	479	-	**21,890**
Consolidated total assets	29,206	11,914	-	98,756	29,002	**168,878**
Liabilities						
Segment liabilities	-	-	-	-	-	**-**
Financial liabilities	(1,143)	-	-	(4,326)	-	**(5,469)**
Consolidated total liabilities	(1,143)	-	-	(4,326)	-	**(5,469)**

3 Operating (loss)

	2014	**2014**	2013	2013
	Group	**Company**	Group	Company
Operating (loss) is arrived at after charging:	**$ 000's**	**$ 000's**	$ 000's	$ 000's
Auditors' remuneration – audit	**167**	**74**	186	92
Auditors' remuneration – non audit services	**-**	**-**	4	-
Directors' emoluments – fees and salaries	**720**	**720**	931	931
Directors' emoluments – share based payments	**290**	**290**	2,091	2,091
Foreign exchange gain/(loss)	**50**	**40**	(21)	(26)
Depreciation	**-**	**-**	11	11

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4	Employee information – Group	**2014**	2013
	Staff Costs comprised:	**$ 000's**	$ 000's
	Wages and salaries (#)	**652**	459

(#) Wages and salaries incurred within the Nimini Holdings Limited "group" are capitalised as Mining exploration & evaluation costs in accordance with group policies.

Average Number of employees (excluding Directors)	**Number**	Number
Exploration	**41**	35
Administration	**5**	4
	46	39

5	Investment income	**2014 Group**	**2014 Company**	2013 Group	2013 Company
		$ 000's	**$ 000's**	$ 000's	$ 000's
	Dividend income on investments	**4,324**	**-**	45	-
	Commission earned on options	**-**	**-**	345	-
		4,324	**-**	390	-

6	Other income	**2014 Group**	**2014 Company**	2013 Group	2013 Company
		$ 000's	**$ 000's**	$ 000's	$ 000's
	Consultancy fees	**-**	**-**	372	372
	Management fees	**-**	**175**	-	175
		-	**175**	372	547

7	Finance revenue	**2014 Group**	**2014 Company**	2013 Group	2013 Company
		$ 000's	**$ 000's**	$ 000's	$ 000's
	Loan interest receivable	**133**	**133**	166	166
	Bank interest receivable	**63**	**63**	424	424
		196	**196**	590	590

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

8 Directors' emoluments

Group	**2014**	2013
	$ 000's	$ 000's
Directors' remuneration	**1,010**	3,022

2014	**Directors Fees $ 000's**	**Consultancy Fees $ 000's**	**Share Options Issued $ 000's**	**Total $ 000's**
Executive Directors				
Stephen Dattels (#)	23	-	-	**23**
Ian Burns (#)	32	-	-	**32**
Michael Tang (**)	10	628	290	**928**
Non-Executive Directors				
Guy Elliott (#)	15	-	-	**15**
Cheah Kian Meng	10	-	-	**10**
Gary Lye (#)	2	-	-	**2**
	92	**628**	**290**	**1,010**

2013	**Directors Fees $ 000's**	**Consultancy Fees $ 000's**	**Share Options Issued $ 000's**	**Total $ 000's**
Executive Directors				
Stephen Dattels	310	-	631	**941**
Neil Herbert (#)	170	155	631	**956**
Ian Burns	75	-	142	**217**
Michael Tang (#)	1	79	55	**135**
Non-Executive Directors				
Guy Elliott	39	-	158	**197**
Cheah Kian Meng (#)	1	-	-	**1**
Bryan Smith (#)	31	-	158	**189**
James Mellon (#)	35	-	158	**193**
Ian Stalker (#)	35	-	158	**193**
	697	234	2,091	**3,022**

(#): These Directors were not employed throughout the whole financial year.
(**) The amount for consultancy services was paid to a company in which Michael Tang has an interest.

No pension benefits are provided for any Director.

9 Taxation – Group

Analysis of charge in year	**2014**	2013
	$ 000's	$ 000's
Tax on ordinary activities	**-**	-

As an International Business Group, the British Virgin Islands imposes no corporate taxes or capital gains tax. However the Group may be liable for taxes in the jurisdictions of the underlying investments.

No deferred tax asset, or any deferred tax liability has currently been recognised during the year under review. The Group is currently liaising with authorities in Sierra Leone to formalise and agree tax losses accrued to date. Once quantified and agreed, this in turn will crystallize a deferred tax asset which will be accounted for in the next financial statements.

10 Dividends

No dividends were paid in the year to 30 June 2014. (2013: US$: Nil).

11 Earnings per share

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

	2014	2013
(Loss) after taxation ($000's)	**(19,112)**	(16,178)
Weighted average number of Ordinary Shares used in calculating basic earnings per share (millions)	**270.30**	249.13
Basic (loss) earnings per share (expressed in US cents)	**(7.07)**	(6.49)
Weighted average number of Ordinary Shares used in calculating fully diluted earnings per share (millions)	**291.80**	255.75
Diluted (loss) earnings per share (expressed in US cents)	**(6.55)**	(6.33)

12 Intangible assets – Goodwill

	2014	2013
Group	**$ 000's**	$ 000's
Cost		
At beginning of the year	**2,815**	-
Additions	**-**	2,815
Write-off	**(2,815)**	-
As at 30 June	**-**	2,815

At 30 June 2014, the Directors have carried out an impairment review and have concluded that a full write-off of the carrying value of the Goodwill on acquisition of Nimini Holdings Limited is deemed appropriate. This has been based on the impairment review undertaken in relation to the carrying value of the exploration and evaluation costs as detailed in Note 13, and as a result of the impairment charge made therein, it has been considered it is therefore inappropriate to carry such value of goodwill, and the full $2.8million has been written off to the income statement in the year.

13 Tangible assets – Property, Plant & Equipment

	Group			Company
	Mining exploration & evaluation costs	Property, plant & equipment	Total	Property, plant & equipment
	$ 000's	$ 000's	$ 000's	$ 000's
Cost				
As at 1 July 2012	22,178	32	22,210	32
Additions	22,012	-	22,012	-
Disposals	-	(32)	(32)	(32)
As at 30 June 2013	**44,190**	**-**	**44,190**	**-**
As at 1 July 2013	44,190	-	44,190	-
Additions	3,838	-	3,838	-
Disposals	(971)	-	(971)	-
As at 30 June 2014	**47,057**	**-**	**47,057**	**-**
Depreciation & Impairment				
As at 1 July 2012	-	21	21	21
Depreciation charge for the year	-	11	11	11
Depreciation on Disposal	-	(32)	(32)	(32)
As at 30 June 2013	**-**	**-**	**-**	**-**
As at 1 July 2013	-	-	-	-
Impairment provision	27,255	-	27,255	-
As at 30 June 2014	**27,255**	**-**	**27,255**	**-**
Net Book Value				
As at 30 June 2014	**19,802**	**-**	**19,802**	**-**
As at 30 June 2013	44,190	-	44,190	-

Impairment Review

At 30 June 2014 the Directors have carried out an impairment review and concluded the following impairment provisions are currently required;

1) An impairment amounting to $0.9m (2013: Nil) was recognised against the Matotoka Evaluation and Exploration assets. This was as a result of the group relinquishing its exploration license in this area. This reduced the carrying value of the Matotoka assets to nil value.

2) An impairment amounting to $27.3m (2013: Nil) was recognised against the Nimini (Komahun) Evaluation and Exploration assets. Although the group still intends to further develop this area, there were a number of impairment indicators under IFRS 6 including changes in the external environment (such as gold pricing), a reduction in activity during the year as the asset was mainly on a care and maintenance basis, and draft findings on a Preliminary Economic Assessment. As such an impairment test was performed which calculated the recoverable amount applying a mineral resource based multiple. The Preliminary Economic Assessment was not advanced enough to use as a discounted cash flow model. The resource based multiple was calculated based on an average of similar gold mining groups in Africa and their calculated enterprise value and amount of mineral resources (measured, indicated and inferred). A recoverable amount of $20m was determined based on the group's resources of 0.9m ounces.

14 Investment in subsidiaries

Shares in Group undertakings	**2014**	2013
Company	**$ 000's**	$ 000's
Cost		
At beginning of the year	**-**	-
Additions	**-**	-
As at 30 June	**-**	-

As at 30 June 2014, the Directors are of the opinion that the carrying value of the subsidiaries, represents at least their fair and recoverable values.

The parent company of the Group holds more than 50% of the share capital of the following companies as at 30th June 2014:

Company	**Country of Registration**	**Proportion held**	**Functional Currency**	**Nature of business**
Direct				
Polo Investments Limited	Guernsey	100%	US$	Investment Company
Polo Gold Limited	BVI	100%	US$	Holding Company
Polo Direction Limited	BVI	100%	US$	Holding Company
Andina Gold Corporation	BVI	62%	US$	Holding Company
Indirect				
Via Polo Gold Limited:				
Nimini Holdings Limited	BVI	90%	US$	Holding Company
Via Nimini Holdings Limited:				
Nimini Mining Limited	Sierra Leone	90%	US$	Mining Company
Axmin SL Limited	Sierra Leone	90%	US$	Mining Company

Andina Gold Corporation
The Joint Venture in Colombian gold explorer Andina Gold Corporation was terminated in the year ending 30 June 2012, following unacceptable delays in the registration of licences, resulting in a loss of US$2.2 million. There remains a secured recoverable value of approximately US$800,000, whereby the Company had expected to receive 50% within 12 months, and the remainder in the following year. The Company now holds 62% of Andina resulting from a settlement agreement with its former joint venture partner. The amount of US$800,000 remains outstanding as at 30 June 2014, and the Company is commencing action to recover the outstanding balance due through legal channels as at the date of this report.

As a result of the above the recoverable investment value was re-allocated to available for sale investments, within current assets in the prior year, as disclosed in Note 16.

15 Interest in associates

	2014	2013
	$ 000's	$ 000's
Group		
At beginning of the year	**68,370**	56,106
Investments in associates – equity purchases	**3,476**	15,720
Investments in associates – share buy-back	**(22,807)**	-
Share of associates' profit/(loss) for the year	**10,423**	(3,456)
Currency translation differences	**-**	-
As at 30 June	**59,462**	68,370

The breakdown of the carrying values and fair values at 30 June 2014 of the Group's interest in listed and unlisted associates is as follows:

	Carrying Value	Fair Value
Non-current assets	**$ 000's**	**$ 000's**
GCM Resources Plc (listed) – interest in equity shares	**29,105**	**7,000**
Signet Petroleum Limited (unlisted)	**27,580**	**27,580**
Perfectus Management Limited (unlisted)	**2,777**	**2,777**
	59,462	**37,357**

Subsequent to the reporting date the market value of the investment in associates had decreased marginally, to US$36,376,000 as at 1 December 2014.

Details of the Group associates at 30 June 2014 are as follows:

Name	Place of Incorporation	Proportion held	Date associate interest acquired	Reporting Date of associate	Principal activities
GCM Resources Plc	UK	27.83%	01/02/08	30/06/14	Coal exploration
Signet Petroleum Limited	BVI	42.00%	16/05/12	30/06/14	Oil & Gas exploration
Signet Petroleum Namibia Limited	BVI	42.00%	27/02/14	30/06/14	Oil & Gas exploration
Signet Petroleum Nigeria Limited	BVI	42.00%	27/02/14	30/06/14	Oil & Gas exploration
Perfectus Management Limited	RMI	49.00%	27/05/14	30/06/14	Investment in Mining Companies

Summarised financial information for the Group's associates, where made publicly available, as at 30 June 2014 is given below:

	For the year ended 30 June 2014			As at 30 June 2014	
	Revenue £ 000's	(Loss) £ 000's	Total comprehensive income £ 000's	Assets £ 000's	Liabilities £ 000's
GCM Resources plc	-	(1,302)	-	38,584	(247)

16 Available-for-sale investments

Listed & Unlisted Investments	2014 Group $ 000's	2014 Company $ 000's	2013 Group $ 000's	2013 Company $ 000's
At beginning of the year	**26,755**	**797**	28,327	2,734
Acquired during the year	**11,963**	**-**	6,942	-
Disposals during the year	**(284)**	**-**	(11,652)	(1,805)
Realised (losses) on disposals	**(1,317)**	**-**	(7,542)	(1,651)
Transfer from equity reserve	**-**	**-**	7,471	1,519
Currency translation differences	**52**	**-**	(683)	-
Revaluation of unlisted investment	**-**	**-**	4,313	-
Movement in market value	**(3,142)**	**-**	(421)	-
At 30 June	**34,027**	**797**	26,755	797
The available-for-sale investments splits are as below;				
Non-current assets – listed	**-**	**-**	-	-
Non-current assets – unlisted	**24,743**	**-**	23,728	-
Current assets – listed	**8,487**	**-**	2,230	-
Current assets – unlisted	**797**	**797**	797	797
	34,027	**797**	26,755	797

Available-for-sale investments comprise investments in unlisted and listed securities which are traded on stock markets throughout the world, and are held by the Group as a mix of strategic and short term investments. Subsequent to the reporting date the market value of the current asset listed investments has decreased to US$5,699,000 as at 1 December 2014.

17 Trade and other receivables

	2014 Group $ 000's	2014 Company $ 000's	2013 Group $ 000's	2013 Company $ 000's
Current trade and other receivables				
Other debtors	**62**	**40**	29	29
Prepayments	**211**	**104**	140	50
Accrued income	**-**	**350**	-	175
Total	**273**	**494**	169	254
Non-Current trade and other receivables				
Loans due from subsidiaries	**-**	**144,838**	-	151,946
Other loans	**3,342**	**3,342**	4,689	4,689
	3,342	**148,180**	4,689	156,635

Loans outstanding and due from subsidiaries, are interest free and repayable on demand.

18 Trade and other payables

	2014		2013	
	Group	**Company**	Group	Company
	$ 000's	**$ 000's**	$ 000's	$ 000's
Current trade and other payables:				
Trade creditors	**537**	**93**	1,786	113
Other loan	**2,627**	**-**	2,653	-
Accruals	**677**	**677**	288	288
Provision for loss on put option	**-**	**-**	742	-
	3,841	**770**	5,469	401

19 Share capital

Authorised	**$ 000's**
Unlimited Ordinary Shares of no par value	**-**

Called up, allotted, issued and fully paid	**Number of shares**	**Nominal value $000's**
As at 1 July 2012	2,294,086,098	-
2 January 2013 shares issued for non-cash consideration, in a share exchange for Signet Petroleum Limited shares @ 3.91pence per share.	402,142,840	-
As at 6 February 2013	2,696,228,938	-
As approved at the AGM of 30 January 2013, the Company's shares were consolidated on the basis for every 10 Ordinary Shares held, one new no par value Ordinary Share was issued. The new shares carried the same rights as the previous Ordinary Shares held.		
Resultant new shares after consolidation – 6 February 2013	269,622,745	-
No further share issues in the period.		
As at 30 June 2013	**269,622,745**	**-**
On 27 May 2014, shares issued for non-cash consideration, on acquisition of Perfectus Management Limited, @15pence per share.	7,317,564	-
As at 30 June 2014	**276,940,309**	**-**

There were 7,317,564 shares issued during the year ended 30 June 2014 (2013: 402,142,840 shares issued). There were no shares cancelled during the year ended 30 June 2014 (2013: no shares cancelled).

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For the year ended 30 June 2014

19 Share capital (continued)

Total share options in issue

During the year ended 30 June 2014, the Company granted no further options over Ordinary Shares. (2013: 21.5million)

As at 30 June 2014 the unexercised options in issue were;

Exercise Price	Expiry Date	Options in Issue 30 June 2014
40p	24 January 2016	8,850,000
35p	24 January 2016	6,650,000
25p	13 May 2018	6,000,000
		21,500,000

No options lapsed and no options were exercised during the year to 30 June 2014 (2013: no options exercised). No options were cancelled during the year ended 30 June 2014 (2013: 155,000,000 options).

Total warrants in issue

During the year ended 30 June 2014, the Company granted no warrants to subscribe for Ordinary Shares. (2013: Nil). No warrants were exercised during the year to 30 June 2014 (2013: Nil), and no warrants lapsed during the year ended 30 June 2014. (2013: Nil).

As at 30 June 2014 no warrants were in issue (2013: Nil).

20 Share Based Payments

Under IFRS 2 'Share Based Payments', the Company determines the fair value of options issued to Directors and Employees as remuneration and Consultants as consideration and recognises the amount as an expense in the income statement with a corresponding increase in equity.

The following options were in issue and charged during the year ended 30 June 2014 according to their vesting period:

Name	Date Granted	Date Vested	Number	Exercise Price (pence)	Expiry Date	Fair Value at Grant Date (pence)
Stephen Dattels	25/01/2013	**25/01/2013**	2,000,000 2,000,000	40p 35p	24/01/2016	6.85 7.78
Neil Herbert	25/01/2013	**25/01/2013**	2,000,000 2,000,000	40p 35p	24/01/2016	6.85 7.78
Ian Burns	25/01/2013	**25/01/2013**	1,000,000	40p	24/01/2016	6.85
Guy Elliott	25/01/2013	**25/01/2013**	500,000 500,000	40p 35p	24/01/2016	6.85 7.78
Bryan Smith	25/01/2013	**25/01/2013**	500,000 500,000	40p 35p	24/01/2016	6.85 7.78
James Mellon	25/01/2013	**25/01/2013**	500,000 500,000	40p 35p	24/01/2016	6.85 7.78
Ian Stalker	25/01/2013	**25/01/2013**	500,000 500,000	40p 35p	24/01/2016	6.85 7.78
Consultants	25/01/2013	**25/01/2013**	1,850,000 650,000	40p 35p	24/01/2016	6.85 7.78
Michael Tang	14/05/2013	**See 1 below**	6,000,000	25p	13/05/2018	14.50
Totals			**21,500,000**			

1. The above share options shall vest in equal instalments annually on the anniversary of the grant date over a 3 year period. The options are exercisable at any time after vesting during the grantees' period as an eligible option holder, and must be exercised no later than 24 months after the date on which each tranche of options respectively vested, after which the relevant tranche of options will lapse. Under certain performance conditions, any unvested options will vest immediately on the performance conditions being met.

20 Share Based Payments (continued)

The fair value of the options granted and vested during the year ended 30 June 2014 amounted to US$0.290 million. The assessed fair value at grant date is determined using the Black-Scholes Model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following table lists the inputs to the models used for the year ended 30 June 2014:

	14 May 2013 issue
Dividend Yield (%)	-
Expected Volatility (%)	60.0
Risk-free interest rate (%)	2.20
Share price at grant date (£)	0.2675

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

21 Analysis of changes in net funds

	2014		2013	
	Group	**Company**	Group	Company
	$ 000's	**$ 000's**	$ 000's	$ 000's
Balance at beginning of year	**21,890**	**21,411**	42,017	41,576
Net change during the year	**8,693**	**9,041**	(20,127)	(20,165)
Balance at the end of the year	**30,583**	**30,452**	21,890	21,411

22 Financial instruments

The Group uses financial instruments comprising cash, liquid resources and debtors/creditors that arise from its operations. The Group holds cash as a liquid resource to fund the obligations of the Group. The Group's cash balances are held in Sterling, US Dollars, Canadian Dollars and in Australian Dollars. The Group's strategy for managing cash is to maintain a mix of currencies and maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and monthly review of expenditure forecasts.

The Company has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk; however it does review its currency exposures on an ad hoc basis. Currency exposures relating to monetary assets held by foreign operations are included within the foreign exchange reserve in the Group Balance Sheet.

The Group carefully considers on an ongoing basis the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations to commercial exploitation but controls over expenditure are carefully managed.

22 Financial instruments (continued)

The net fair value of financial assets and liabilities approximates the carrying values disclosed in the financial statements. The currency and interest rate profile of the financial assets is as follows:

Cash and short term deposits	2014		2013	
	Group	Company	Group	Company
	$ 000's	$ 000's	$ 000's	$ 000's
Sterling	**476**	**476**	1,468	1,468
US Dollars	**27,916**	**27,785**	17,805	17,326
Australian Dollars	**-**	**-**	397	397
Canadian Dollars	**2,191**	**2,191**	2,220	2,220
At 30 June	**30,583**	**30,452**	21,890	21,411

The financial assets comprise cash balances in current and interest earning bank accounts at call and three month deposit. The financial assets earn a range of interest rates throughout the period depending on rates available and ongoing cash commitments at any one point in time.

Currency risk

The Group has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk. It does however review its currency exposure on a regular basis. All of the Group's active companies, including parent and subsidiaries all operate with a functional currency of US Dollar, and thus the majority of cash balances are now held in that currency.

Rates of exchange to US$1 used in the financial statements were as follows:

	As at 30 June 2014	Average for the year to 30 June 2014	As at 30 June 2013	Average for the year to 30 June 2013
Australian Dollar (A$)	0.94193	0.9183	0.9841	0.9697
Canadian Dollar (CA$)	0.93714	0.9353	0.9500	0.9960
Pound Sterling (GB£)	1.70276	1.6265	1.5216	1.5691
Singapore Dollar(SGD)	0.79957	0.7941	N/A	N/A

Equity price risk

The Group held listed and unlisted investments classified as available for sale during the year. The listed equity investments were listed on various major stock exchanges around the world. The sensitivity analysis in respect of listed equity investments, was based on the assumption that if the respective market increased/decreased by 10%, the equity share price of the relevant companies invested therein would move accordingly to the correlation with the market it is listed on.

Changes in market index %	Effect on profit after tax $ 000's	Effect on equity $ 000's
10%	-	849
(10%)	-	(849)

Notes to the Financial Statements (continued)

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23 Commitments & Contingent Liabilities

As at 30 June 2014, the Company had entered into the following material commitments:

Exploration commitments

As at 30 June 2014, Nimini Holdings Limited (Nimini") or its directly related subsidiary companies had entered into the following material commitments:

- Under the terms of the mining license granted on 8th November, 2012, Nimini Mining Limited is required to pay an annual mining license fee of US$500,000.
- Nimini Mining Limited is required to pay an annual EPA license fee to an order of approximately US$ 100,000 under the terms of Environmental Impact Assessment License which fee may vary every year depending on the activities planned to be carried out during the year.
- Nimini Mining Limited is required to pay surface rental fee of an order of approximately US$45,000 every year to Nimikoro and Nimiyama chiefdoms.
- Under the terms of the mining license granted on 8th November, 2012 Nimini Mining Limited is required to pay approximately US$100,000 every year in accordance with the Community Development Action Programme.

24 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between other related parties are discussed below.

On 1 February 2012, Polo entered into a Service Agreement with Smoke Rise Holdings Limited, a company in respect of which Mr. I. Burns, Finance Director of Polo Resources, is an interested party. Expenditure of US$nil was incurred to 30 June 2014 (2013: US$327,542) for the provision of administration and support services and US$685 (2013: US$38,351) in respect of the recharge of direct related expenses at cost.

During the year ended 30 June 2014, Ninimi Holdings Limited (Nimini) received a loan from Plinian Guernsey Limited (Plinian), whom own 10% of the ordinary share capital of Nimini. The loan is non-interest bearing and was advanced over the course of the year in respect of Plinian's contribution to all project expenditure during the period. The outstanding balance due at 30 June 2014 from Nimini to Plinian was US$2,627,000 (2013: US$2,653,000).

Remuneration of Key Management Personnel

The remuneration of the Directors, and other key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures.

	2014	2013
	$ 000's	$ 000's
Short-term employee benefits	**720**	931
Share-based payments	**290**	2,091
	1,010	3,022

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25 Post balance sheet events

On 4 November 2014, Polo announced that it entered into a sub-underwriting agreement with Patersons Securities Limited as part of an underwritten renounceable entitlements offer (the "Offer") being undertaken by Polo investee company Celamin Holdings NL ("Celamin") (ASX: CNL), under which Celamin proposed to raise up to A$8.8 million by the issuance of approximately 880 million new ordinary shares at A$0.01 each. Under the agreement Polo will firm sub-underwrite 112,565,962 new ordinary shares in Celamin at A$0.01 each for A$1,125,659.62 in respect of its pro rata entitlement under the Offer, and will priority sub-underwrite up to a further 187,434,038 new ordinary shares in Celamin at A$0.01 each for A$1,874,340.38.

On 12 December 2014, Polo further to the announcement in relation to the 4 November 2014 announcement as above and in relation to the closing of the underwritten renounceable entitlements offer by Celamin, Polo announced that it had subscribed for 300,000,000 new ordinary shares in Celamin under the Offer at A$0.01 each (including 187,434,037 shares under its sub-underwriting commitment), bringing its total shareholding to 330,000,000 ordinary shares in Celamin. This represents an interest of approximately 33.23 per cent of Celamin's enlarged issued share capital, after allocation of sub-underwriting. Subject to Celamin shareholder approval, Polo will also be entitled to options over a further 150,000,000 ordinary shares in Celamin exercisable at A$0.02 each on, or before, 29 February 2016.

On 10 November 2014, Polo announced that entered into a subscription agreement ("Subscription Agreement") with Weatherly International Plc ("Weatherly") (AIM: WTI), an AIM traded mining, development and exploration company focusing on Copper in Namibia. Under the terms of the Subscription Agreement, Polo will acquire 30,830,257 ordinary shares of 0.5 pence each (the "Subscription Shares") in Weatherly at a price of 2.925 pence per Subscription Share ("Subscription Price") for a total cash consideration of c. £902,000. In addition, Polo conditionally committed to subscribe for a further 76,007,350 new Ordinary Shares at the Subscription Price ("Placing Shares"), subject to clawback depending on take up from existing Weatherly shareholders under a proposed open offer by Weatherly to raise up to an additional approximately £3.8 million before expenses ("Open Offer"). Polo's conditional further commitment amounts to approximately £2,223,000, bringing Polo's total investment in Weatherly, if allocated in full, to £3.125 million.

On 3 December 2014, Polo further announced in relation to the 10 November 2014 announcement as above and in relation to the closing of the open offer by that it has subscribed for 24,022,602 Weatherly Open Offer Shares under its conditional subscription bringing its total shareholding under the Subscription Agreement announced on 10 November 2014 to 54,852,859 ordinary shares of 0.5 pence each in Weatherly at a price of 2.925 pence per share for a total cash consideration of some £1,604,000. This represents an interest of approximately 7.06 per cent. in Weatherly's enlarged issued share capital. In accordance with terms of the Subscription Agreement with Weatherly, Polo has the right to subscribe for a further 51,984,748 Weatherly ordinary shares at the Subscription Price of 2.295 pence per share, before 7 February 2015.