

## PHULBARI COAL MINE: PROJECT FINANCIERS

**Note:** The project sponsor, Global Coal Management (GCM) Resources, is based in the UK and was formerly known as Asia Energy Corporation (AEC). It subsequently changed its name to Global Coal Management after the August 2006 killings in Phulbari, and to GCM Resources Plc in December 2007.

### GLOBAL COAL MANAGEMENT RESOURCES PLC (GCM)

<u>Major Shareholders</u>		<u>Type</u>	<u>Amount</u>	<u>% Holding</u>
Luxor Capital Group LLC	-		18,443,828	36.14*
Polo Resources Ltd	-		15,216,588	29.83
Aurora Investment Trust PLC	-		14,959,120	29.31
Christian Leone	-		4,753,217	9.31*
LCG Holdings LLC	-		4,152,176	8.14*
Credit Suisse First Boston Equities Ltd	-		2,374,000	4.95

### Director Holdings

<u>Name</u>		<u>Type</u>	<u>Amount</u>	<u>% Holding</u>
Gerard Holden	-		96,666	0.19
Greg James	-		28,750	0.056
Bill McIntosh	-		25,000	0.049

Source: Morningstar Stock Report, viewed 1/25/2011

**\*IMPORTANT:** all three of these are entities within the Luxor Capital Group, which is owned a US citizen who also operates a NY-based hedge fund in his own name: Christian Leone,. This means that Leone's companies currently own 53.59 % of all GCM shares. See details on Luxor Capital group below.

**Note three important changes in shareholders between Oct 1, 2010 & Dec. 1, 2010\*\*:**

1. Aurora increased its shares from 3.19% to 29.31%
2. the Luxor Group increased it's shares from 15.9% to 39.53%.
3. Credit Suisse was previously not listed as a shareholder (meaning it had not shares or shares totaling less then 3%) but now owns 4.95%

\*\*Based on comparison with Hemlock data above and GCM's Annual report for 2010 (p. 19) and *AIM Admission Document last updated Sept 30, 2010.*

### Excerpt from GCM's Annual Report for 2010:

“As of 30 September 2010 the Company is aware of the following persons who hold, directly or indirectly, voting rights representing 3% or more of the issued share capital (also referred to as the “ordinary called-up share”) of the Company to which voting rights are attached:

<u>Shareholder</u>	<u>Number of Shares</u>	<u>% of Issued Capital</u>
Polo Resources Limited	15,216,588	29.83
Luxor Capital*	4,995,011	9.79
<b>Aurora Investment Trust</b>	<b>1,630,465</b>	<b>3.19</b>

Percentage holdings not in public hands: 0.24%

\*In addition, **Luxor Capital Group** has an interest in instruments which have similar economic effect to Qualifying Instruments equivalent to 2,700,000 shares or 5.79% of the Company's share capital”

### Luxor Capital Group

*Note: all details on Luxor Capital Group below are copied & pasted from: (<http://www.people.hbs.edu/rgreenwood/Mike/raw/0001013594-05-000510.txt>) and have not been independently verified with one exception: the Bloomberg report cited below confirms that all the entities within the Luxor Capital Group are “controlled by Christian Leone.”*

All the entities within Luxor Capital Group are owned by Christian Leone, a US citizen whose operates a NY-based Hedge Fund named for him. Christian Leone’s Luxor Funds are detailed below.

1. Luxor Capital Partners, LP, a Delaware limited partnership ("Onshore Fund").
2. Luxor Capital Partners Offshore, Ltd., a Cayman Island exempted company ("Offshore Fund").
3. Luxor Capital Group, LP, a Delaware limited partnership ("Luxor Capital Group").
4. Luxor Management, LLC, a Delaware limited liability company ("Luxor Management").
5. LCG Holdings, LLC, a Delaware limited liability company ("LCG Holdings").

Structure: Luxor Capital Group is the investment manager of the Onshore Fund and the Offshore Fund. Luxor Management is the general partner of Luxor Capital Group. Mr. Leone is the managing member of Luxor Management. LCG Holdings is the general partner of the Onshore Fund. Mr. Leone is the managing member of LCG Holdings.

Luxor Capital Group, Luxor Management and Mr. Leone may each be deemed to have voting and dispositive power with respect to the shares of Common Stock held by the Onshore Fund and the Offshore Fund. LCG Holdings may be deemed to have voting and dispositive power with respect to the shares of Common Stock held by the Onshore Fund.

The business address of each of the Onshore Fund, Luxor Capital Group, Luxor Management, LCG Holdings and Mr. Leone is 767 Fifth Avenue, 19th Floor, New York, New York 10153.

The business address of the Offshore Fund is c/o M&C Corporate Services Limited, P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, **Cayman Islands**.

The principal business of each of the Onshore Fund and Offshore Fund is that of a private investment fund engaged in the purchase and sale of securities for its own account.

The principal business of Luxor Capital Group is providing investment management services.

The principal business of Luxor Management is serving as the general partner of Luxor Capital Group.

The principal business of LCG Holdings is serving as the general partner or managing member of the Onshore Fund and other private investment funds.

Mr. Leone's principal occupation is serving as the managing member of each of Luxor Management and LCG Holdings.

Luxor Capital Partners, LP, a Delaware limited partnership ("Onshore Fund").

**QUESTION:** why does GCM's Annual Report & Accounts for 2010 report only 2,700,000 combined shares, equal to 5.79% of the Company's share capital, for the Luxor Capital Group? This is far less than Luxor Capital Group Shares reported in each of GCM's TR-1's for 2010: Notification of Major Interest and Shares. For example, TR-1 for August 25, 2010 lists each of the following four Luxor Capital Group entities listed under indirect voting rights (below), with total of 19,338,841 shares and the TR-1 for Nov 18, 2010 lists the same four Luxor Capital Group entities with a total of 20,174,048 shares. The following Bloomberg news article also lists far more Luxor Capital Group shares as of May 2010: <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aNQdHHOj0JEY>

**Polo Resources Ltd: Major Shareholders**  
**as of 1/25/2011**

Source: Morningstar Stock Report, viewed 1/25/2011

<b>Shareholder</b>	<b>Type</b>	<b>Amount</b>	<b>% Holding</b>
Morston Nominees Ltd	-	198,120,274	8.44
Steve Dattels	-	201,676,007	8.30
Lynchwood Nominees Ltd	-	135,620,807	5.78
State Street Nominees Ltd A/C OM01	-	120,960,000	5.15
Pershing Nominees Ltd	-	117,765,290	5.02
Ingalls & Snyder LLC	-	110,220,000	4.76

Regent Pacific Group Ltd	-	102,040,000	4.40
Roy Nominees Ltd	-	79,815,502	3.40
Libra Advisors LLC	-	78,357,000	3.29
The Capital Group Companies Inc	-	76,909,900	3.28
Barclayshare Nominees	-	74,339,955	3.17
HSBC Client Holdings Nominee (UK) Ltd	-	74,016,235	3.15
Neil Herbert	-	73,132,954	3.01

### **Director Holdings**

<b>Name</b>	<b>Type</b>	<b>Amount</b>	<b>% Holding</b>
Jim Mellon	-	24,500,000	1.02
Bryan Smith	-	10,581,240	0.44
Guy Elliott	-	10,000,000	0.41

### **Additional information regarding Polo Resources Ltd.**

*Source for information below: <http://www.poloresources.com/Investors.htm>*

#### **Contact us**

P.O. Box 38  
Sunninghill  
Sandton  
South Africa 2157

#### **Registered Office Address**

Craigmuir Chambers  
Road Town, Tortola  
**British Virgin Islands VG 1110**

From 2010 Annual Report: Nominated Advisor and Broker Canaccord Genuity Limited  
7th Floor, 80 Victoria Street  
London SW1E 5JL  
United Kingdom

**Business Description:** Polo Resources Limited is (a **UK-based** company) engaged in the identification, acquisition, evaluation and development of advanced stage uranium and coal projects. Its investment portfolio includes coal and uranium interests, and a 50% of a joint venture with Peabody Energy Corporation (Peabody) formed to hold all of Polo's coal and uranium assets in Mongolia. The joint venture with

Peabody affords the Company a 50% interest in 56 coal licenses covering 761,636 hectares and 26 uranium licenses covering 73,377 hectares in Mongolia

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

**Source:** Polo Resources Limited (PRL) - Financial and Strategic Analysis Review, New Report, Aug 26, 2010 15:49 CEST <http://www.mynewsdesk.com/us/view/pressrelease/polo-resources-limited-prl-financial-and-strategic-analysis-review-459013>  
Polo Resources Limited (Polo) is a mineral exploration company. **The company focuses on the acquisition, exploration and development of coal and uranium assets.** It principally operates in Africa, Asia and Australia. The company through its subsidiary companies holds interest in certain licences and agreements in respect of coal and uranium assets in Mongolia. Its coal projects include Erds project, South Gobi project, Union and Khashaat project, Northwest project, Cook Colliery/Minyango resource project and **Phulbari coal project**. The company holds 34 exploration licenses in the South Gobi Basin, close to the China Mongolian Border.

#### Polo Resources Limited Key Recent Developments

Mar 24, 2010: Polo Resources Reports Profit Of \$6.83 Million In H1 Fiscal 2010

**Notes on Changes between 11/10/2010 & 12/6/2010** (based on comparison with data below from Polo's website):

1. UBS sold its shares of 4.32%
2. GCM sold its shares of 3.13%
3. Barclayshare Nominees (?) acquired 3.17% shares

“As of 10 November 2010 the Company is aware of the following persons who hold, directly or indirectly, voting rights representing 3% or more of the issued share capital of the Company to which voting rights are attached:

<u>Name</u>	<u>Percentage of Issued Share Capital</u>
Stephen R. Dattels*	8.44
Weiss Asset Management LP	5.59
State Street Global Advisors	5.08
Ingalls & Snyder LLC	4.61
<b>UBS Investment Bank</b>	<b>4.32</b>
Regent Pacific Group Limited	4.27
RAB Capital plc	4.11
Libra Advisors LLC	3.47
GCM Resources plc	3.13
Neil Hebert**	3.06”

\*Dattels is Exec Co-Chair of Polos Board of Directors

\*\*Hebert is Managing Director and Exec Co-Chair of Polo's Board of Directors

### **Some details on current & former investors in Polo**

#### **UBS Investment Bank**

Source: <http://www.ubs.com/1/e/about.html>

Description: UBS is a premier global financial services firm offering wealth management, investment banking, asset management and business banking services to clients. **Headquartered in Zurich and Basel, Switzerland**, UBS has offices in more than 50 countries, including all major financial centers, and employs approximately 64,000 people. Under Swiss company law, UBS is organized as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors. UBS AG is the parent company of the UBS Group (Group).

**Important Notes: Greenpeace Switzerland has a campaign targeting UBS this year for its impacts on forests. RAN has a campaign targeting UBS for its financing of mountaintop removal coal mining.**

#### **Weiss Asset Management**

222 Berkeley Street, 16th Floor, **Boston, Massachusetts** 02116

Email: [info@weissasset.com](mailto:info@weissasset.com)

**State Street Global Advisors** – investment asset managers with **world headquarters in Boston**. Key Facts: 28 locations worldwide; 9 investment centers' 440 investment professionals; \$1.9 trillion assets under management.

SSgA Worldwide Headquarters:

State Street Global Advisors

State Street Financial Center

One Lincoln Street

**Boston, MA** 02111-2900

#### **Ingalls & Snyder LLC**

Private Company, Headquarters Location

61 Broadway, 31st Fl., New York, NY 10006-2803, United States

(800)221-2598, (212)269-7800, (212)269-7893 fax, <http://www.ingalls.net>

Primary SIC: Security Brokers And Dealers, Primary NAICS: Securities Brokerage

Description: Finance: Full-service securities brokerage. offers security brokerage and investment advisory services. The firm also provides investment management services. .

**RAB Capital**: **London-based hedge fund manager**. In crisis: chief exec recently removed and its assets under management had shrunk to

\$4.7 billion as of Sept. 1, down from \$7.2 billion at the start of the year (source: <http://dealbook.nytimes.com/2008/09/10/rab-capital-proposes-lock-down-to-avoid-liquidation/>)

“RAB warned its financial results this year could be “significantly below current market expectations” in a Sept. 16 statement and said it started measures to cut costs to return to profitability. RAB’s London-quoted shares lost 26 percent (source: <http://www.bloomberg.com/news/2010-11-10/rab-capital-said-to-shed-pi-investment-team-in-hong-kong-close-asia-fund.html>)

Traded on London’s Alternative Investment Market. RAB Capital is authorised and regulated by the Financial Services Authority of the United Kingdom. **Website restricted: people from the US may not enter or cite it.**

### POLO’S INVESTMENTS

#### COAL

\* Caledon Resources Ltd (27.64% interest). Caledon is an ASX and AIM listed coal miner operating in the Bowen Basin of Queensland.

\* **GCM Resources plc (29.82% interest).** GCM is an AIM listed coal explorer focused on the development of the Phulbari Coal Project in Bangladesh. The 572Mt Bangladesh coking and thermal coal project with completed BFS awaits government seal of approval.

Current status of the Phulbari project as described in Polo Resources Annual Accounts and Reports 2010 (p. 5) “GCM's discussions with the Bangladeshi Government have recently moved onto the detail of project implementation for its Phulbari coal project and the company is busy preparing so that it is ready to move forward with development as soon as it receives Government approval for its Scheme of Development.”

#### Polo’s Largest holdings as of 30-Sep-2010

<u> Holding </u>	<u> (%) </u>	<u> Rank </u>	<u> Prev </u>	<u> Holding </u>	<u> (%) </u>	<u> Rank </u>	<u> Prev </u>
GCM RESOURCES PLC	11.30	1	(1)	ANTOFAGASTA	5.00	6	(6)
WEST CHINA CEMENT LTD	10.10	2	(2)	KAZAKHMYS	4.50	7	(7)
BTG	7.40	3	(3)	STANDARD CHARTERED	3.90	8	(5)
ASIAN CITRUS HLDGS	6.70	4	(4)	ROYAL DUTCH SHELL B ORD	3.70	9	(-)
PETRO MATAD LTD	6.20	5	(-)	RIO TINTO	3.50	10	(8)
				<b>Total</b>	<b>62.30</b>		

<u>Regional weightings, 30-Sep-2010</u>	<u>Region</u>	<u>(%)</u>	<u>Rank</u>	<u>Prev</u>
	UK	100.00	1	(1) 100.00% UK
	<b>Total</b>	<b>100.00</b>		

<u>Sector weightings, 30-Sep-2010</u>	<u>Sector</u>	<u>(%)</u>	<u>Rank</u>	<u>Prev</u>
	Resources	32.80	1	(1) 32.80% Resources
	Oil & Gas	17.90	2	(3) 17.90% Oil & Gas
	Financials	14.00	3	(2) 14.00% Financials

Industrials	11.30	4	(4)	11.30% Industrials
Health Care	7.80	5	(5)	7.80% Health Care
Consumer Goods	7.20	6	(6)	7.20% Consumer Goods
Fixed Interest	4.60	7	(7)	4.60% Fixed Interest
Telecommunications	2.20	8	(8)	2.20% Telecommunications
Information Technology	2.10	9	(9)	2.10% Information Technology
Consumer Services	0.10	10	(10)	0.10% Consumer Services
<b>Total</b>	<b>100.00</b>			

**AURORA INVESTMENT TRUST PLC: MAJOR SHAREHOLDERS**  
**As of 1/25/2011**

Source: Morningstar Stock Report, viewed 1/25/2011

Note: Aurora Investment Trust plc is a United Kingdom-based investment trust.

<b><u>Major Shareholders</u></b>	<b><u>Type</u></b>	<b><u>Amount</u></b>	<b><u>% Holding</u></b>
Midas Investment Management	-	3,850,678	29.73
Jupiter Asset Mgmt	-	1,268,536	9.79
Brewin Dolphin Holdings PLC	-	970,439	7.49
James Barstow	-	839,000	6.48
Imia Investment Limited	-	825,000	6.37
Client of Pershing Keen	-	616,861	4.76
South Yorkshire Pensions Authority	-	449,653	3.47
CG Asset Management Ltd	-	442,000	3.41

**Director's Holdings**

<b>Name</b>	<b>Type</b>	<b>Amount</b>	<b>% Holding</b>
Alex Hammond-Chambers	-	15,000	0.12
Richard Martin	-	6,100	0.047

**KEY POINTS FROM CORRESPONDENCE WITH BANKS CURRENTLY OR PREVIOUSLY INVESTED IN GCM**

Source: [International Accountability Project's Phulbari Page](#)

Response Letter from Credit Suisse, September 16, 2008.



“...in general, shareholding positions attributed to CS in public records are for the most part held by the bank on behalf of clients, who are the beneficial owners of such stock. As you can imagine, we have virtually no leverage over the investment decisions of our clients where these are not clearly prohibited or restricted by any applicable laws or regulations. Furthermore, as we hold these shares on behalf of our clients, we are not in a position to actively engage with those companies regarding their application of environmental or social standards.

As for CS shareholdings reported as part of public disclosure requirements, size may vary quickly so information in public domain is likely to be quickly outdated.

**Note:** this reply is evasive and CSOs need to follow up with Credit Suisse

**Response Letter from UBS, September 12, 2008** (from Communications Mgmt to Dr. Andreas Missback, Berne Declaration, in Zurich)

UBS holds a position of 9.75 in GCM. Distinguish between “shares held by UBS on a proprietary basis and those we hold to facilitate client transactions. The shareholdings in GCM that are held by UBS have not been acquired for investment purposes but to facilitate a client transaction.

As part of an overall advisory service UBS may, if appropriate, make clients aware of potential risks including environmental or social issues associated with investments.

While this is not a proprietary position, any acquisitions of securities by UBS on a proprietary basis would be subject to our customary due diligence procedures, which, where relevant, would include environmental & social considerations.