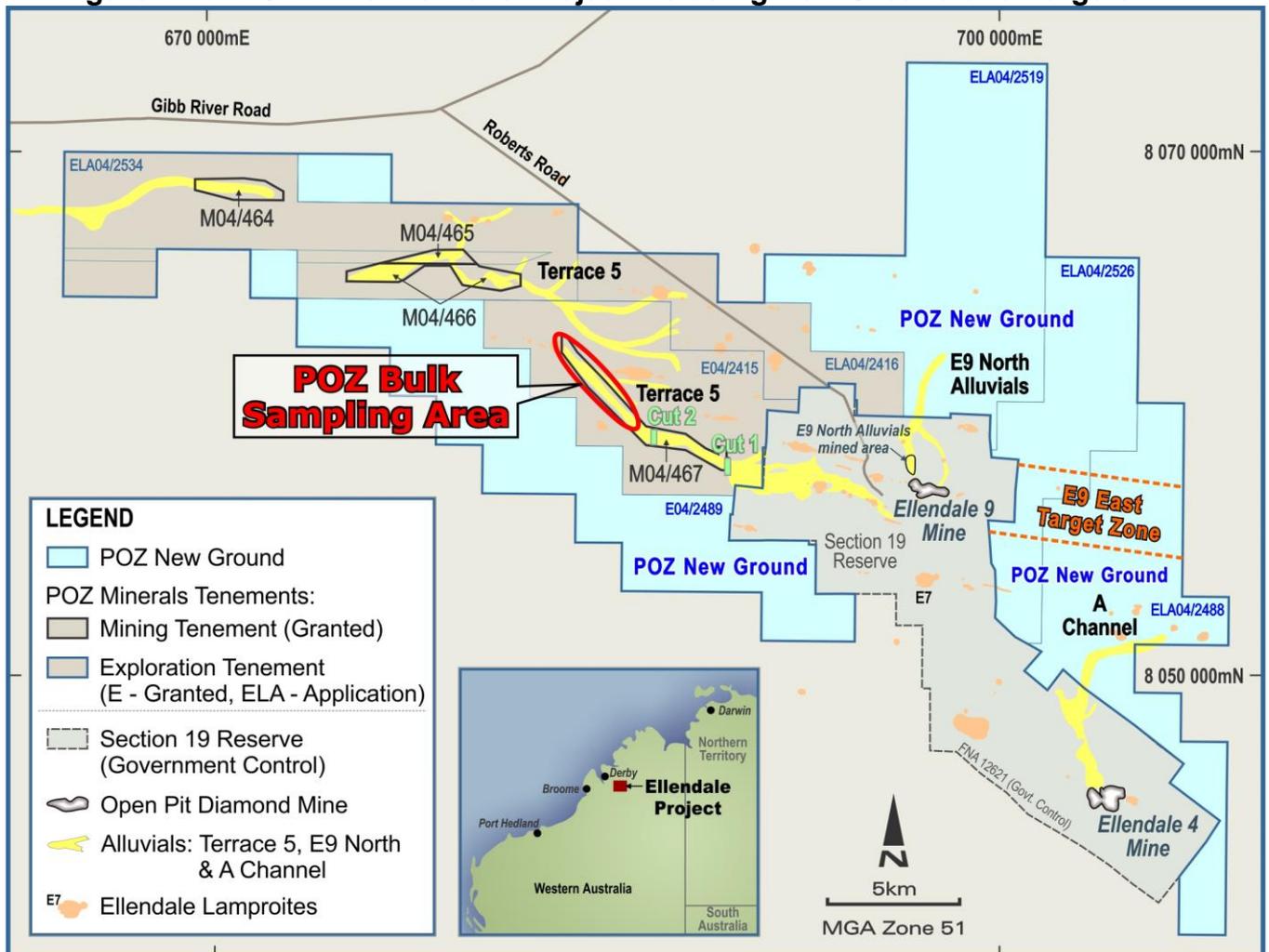


Blina Diamond Project Expanded around Ellendale 9 New Targets Update

HIGHLIGHTS

- **Blina Diamond Project** expanded through acquisition of 285Km² of new ground surrounding the former E9 diamond mine. **New prospects include:**
- **E9 North Channel:** this channel has been extensively mined just north of the E9 pipe and is interpreted to extend north over 2km of strike within POZ ground. This channel extension has never been tested and is open to the north
- **A Channel Alluvials:** this channel is located north of the E4 diamond mine and extends some 4km onto POZ ground. Significant numbers of diamonds have been recovered from this channel by previous explorers.
- **E9 East Lamproite Target Zone** lies some 2.5km east of the E9 mine and is highly prospective area for hard rock extensions to the E9 mine diamond mineralisation.

Figure 1: POZ Blina Diamond Project Including New Ground and Targets



1.0 Introduction: Blina Diamond Project, WA

POZ 100%

POZ Minerals Limited ('POZ' or the 'Company') is pleased to announce the expansion of its Blina Diamond Project through the acquisition of 285Km² of new ground surrounding the former Ellendale 9 ('E9') diamond mine in Western Australia's Kimberley Region. The Company has spent a considerable period acquiring this ground and is satisfied that, together with the advanced Terrace 5 alluvial diamond prospect (161km²), POZ now has control over the best exploration ground available in the Ellendale diamond province.

This new ground has had extensive previous diamond exploration work and hosts extensions to two previously defined diamondiferous channels named the E9 North alluvials (previously mined) and the A Channel alluvials (Figure 1).

This new ground is highly prospective for as yet undiscovered diamondiferous lamproite pipes, especially in the E9 Extension Target area which is on-strike from the E9 lamproite mine.

The former E9 and E4 mines (not operational) and surrounds are currently under government control and are expected to be opened for Expressions of Interest (EOI) later this year. The result of this process does not affect the current POZ diamond projects at Blina, but POZ is an interested party in this process.

POZ Chairman Mr Jim Richards commented: *"The new Ellendale ground is an excellent addition to the Company's adjacent Terrace 5 Prospect where we already have granted mining and exploration leases over 40km length of diamond bearing alluvial channels. Terrace 5 has previously produced a significant number of highly prized Fancy Yellows, up to 8.43 carats¹, and we are excited to add some future hardrock targets 'upstream' of the alluvials we are progressing to bulk testing later this year."*

2.0 E9 North Alluvial Project

The E9 North prospect comprises a series of alluvial channels draining the northern side of the original E9 diamond mine. These channels were originally discovered by Blina Diamonds NL in 2005 and have been extensively mined.

Mining of the western channel (Figure 1) in 2005 and 2006 treated 81,263 tonnes for 13,456 carats at an average grade of 16.56 carats per hundred tonnes (cpht) with the largest stone size being a Fancy Yellow 11.40 carat stone. The eastern channel was also mined.^{2&A}

Table 1: Ellendale 9 North Western Channel Production 2006/07 Summary

Tonnes	Diamonds Size mm		Total Diamonds	Total Carats	Average Size (ct)	Grade (cpht)	Largest Stone (ct)
	+3.35	-3.35					
81,263	13,817	24,029	37,846	13,456	0.36	16.56	11.40

Diamonds recovered from the 1.2 to 14.0mm size fraction
cpht – carats per hundred tonnes

The Blina Diamonds NL 2007 annual report stated ‘A re-interpretation of geochemical and geophysical data from the area indicated that the channel (E9 North Channel) structure continues for several kilometres north of Ellendale 9.’ This is the channel which is shown in Figure 1 (taken from the Blina report) as extending north of the previous mining activity, including over 2km of strike on POZ ground; this channel extension has never been tested and is a highly prospective follow-up target for Ground Penetrating Radar work and future bulk sampling for POZ.

3.0 A Channel Alluvials

The A Channel alluvials are located north of the former E4 diamond mine and consist of a series of fluvial gravels originally deposited over a karstic limestone terrain, now covered by a thin layer of wind blown sand.

Trenching by Blina Diamonds NL in May 2007 (within what is now FNA12621 Reserve) indicated the bedrock to be extremely irregular karstic limestone in which there is considerable potential for potholes and other bonanza grade alluvial diamond trap sites.^{2&A}

Previous explorers have defined Channel A (Figure 1) based on niobium geochemistry, drilling, or pitting. Significant numbers of diamonds have been recovered by previous explorers from this channel which extends some 4km onto POZ ground. This channel extension can be considered a highly prospective target for Ground Penetrating Radar work and future bulk sampling for POZ.

4.0 E9 East Target Zone

The E9 East Target Zone lies on POZ ground some 2.5 km to the east of the E9 mine (Figure 1). This area is highly prospective for hard rock extensions to the E9 mine diamond mineralisation. Historically the far eastern side of the E9 mine contained the highest reported percentage of Fancy Yellow diamonds which was 14%³, an example of these high percentage Fancy Yellow results (which led to production) is shown in Table 2.

Table 2: Bulk Sample results from the Far East Pit at E9 in 2013 (samples from photo)

Tonnes	Total Carats	Fancy Yellow %	Grade (cpht)
29,683	1,060	14	3.57

Bottom screen cut off 1.5mm

Bulk Sampling of the the Far East Pit at E9 in 2013. This area was subsequently mined. The POZ Minerals tenements are 2.5km on-strike to the east of this area (Figure 1)



For scale, sample 103100 is approximately 200 metres east to west

The lamproitic sandy tuffs in which some of these previous diamond discoveries are hosted can be difficult to recognise from the surrounding sandstone country rock. These sandy tuffs are highly prospective targets which in addition to being difficult to recognise, also may have a muted geophysical signature and could have been overlooked in previous exploration campaigns.

Once tenements E04/2526 and E04/2488 are granted, POZ intends to run north-south aircore drill-lines parallel to this prospective corridor and sample the drill spoil for geochemical markers to pick up the presence of sandy tuff lamproite. Should any be found, the material would then be bulk sampled.

5.0 Corporate Activity

Mr Richards will be presenting the Blina Diamond Project at the Brisbane Mines and Money conference on Wednesday 20 June (12.40pm plenary session).

To view a video of Mr Richards presenting at the Sydney Resources Round-up Conference on 10 May 2018, [click here](#) and click on the video dated 17 May 2018.

6.0 Summary and Lookahead

The Company is pleased with the new ground acquisitions which gives access to 446km² of the best exploration ground available in the Ellendale area and a much expanded range of diamond exploration targets. The Company is also well positioned to be a competitive bidder for the former E9 and E4 mine areas which are currently under government control.

Current operations on-site include road access and clearing works in anticipation of the commencement of bulk sampling operations.

Jim Richards
Executive Chairman
POZ Minerals Limited

Enquiries To: Mr Jim Richards +61 8 9422 9555

References:

¹Further detailed information including the Table 1 (JORC Code, 2012 Edition) and references are available on the POZ ASX Release dated 9 October 2015 [click here](#)

²Blina Diamonds NL Annual Report 2007

³Kimberley Diamonds Ltd (ASX: KDL) ASX/Media Release dated 11 June 2013

Blina Diamond Project, Gamechanger GPR Survey; POZ ASX Release dated 18 October 2017 [click here](#)

Maiden JORC Exploration Target; POZ ASX Release dated 21 November 2017 [click here](#)

Bulletin 132 (Geological Survey of Western Australia); The kimberlites and lamproites of Western Australia by A.L. Jaques, J.D. Lewis and C.B. Smith.

The information in this report that relates to current and previously reported exploration results and the JORC Exploration Target is based on information compiled by Mr. Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Richards is a Director of POZ Minerals Limited. Mr. Richards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Richards consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

^AThe Company is not aware of any new information or data that materially affects the information included in the previously reported exploration and production data (JORC 2004) and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement/year have not materially changed

No New Information

To the extent that the announcement contains references to prior technical information, exploration results and mineral resources; these have been cross referenced to previous market announcements made by the Company. These had been disclosed to JORC 2012 standard. Unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements that assumptions and technical parameters underpinning the relevant market announcement continue to apply and have not materially changed.

APPENDIX A: Locations of Centroids for Bulk Sampling/Mining

Area	Centroid	
	UTM mE	UTMN
E9 North Alluvials	696811.57	8057967.21
E9 Far East Pit	697820.92	8056925.01

MGA Zone 51 (GDA 94)

Appendix B
JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<p>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of the determination of mineralisation that are Material to the Public Report.</p> <p>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</p>	<p>The overlying sand/soils was removed using scrapers and stockpiled at the sides of the pit. Blocks were then mined using using excavators, barren material was removed as waste.</p> <p>A72738: The E9 North samples were processed through Blina’s 50 tonne per hour Dense Media Separation (DMS) processing plant. This plant was built by Mine Plant Constructions in May 2005, and commissioned in early July. Concentrate from the samples was processed at KDC’s Recovery section using Flowsort X-ray machines, with hand-sorting of the final product.</p> <p>The E9 FEP samples are inferred (due to reported screen size) to have been processed through the E9 mine recovery plant with concentrate from the samples processed at KDC’s Recovery section using Flowsort X-ray machines, with hand-sorting of the final product.</p>

Criteria	JORC Code Explanation	Commentary
Drilling Techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	not applicable
Drill sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed	not applicable
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Large scale bulk samples were taken to assist sample representivity.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable to a bulk sample mining operation where all of the material is removed.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	At E9 North, sample pits were geologically logged during the bulk sampling operation prior to mining. Any E9 FEP bulk sample logging has not been sighted ^{AA}
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Pit logging was quantitative in nature. Information collected includes: sedimentology, lithology, mineralogy, colour, comments
	The total length and percentage of the relevant intersections logged	Not reported
Sub Sampling Techniques and	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Not applicable to a bulk sampling/mining operation where the whole sample is treated

Criteria	JORC Code Explanation	Commentary
Sample Preparation	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	E9 North samples were processed through Blina's 50 tonne per hour DMS processing plant. Concentrate from the samples was processed at KDC's Recovery section using Flowsort X-ray machines, with hand-sorting of the final product. The E9 FEP samples are inferred (due to reported screen size) to have been processed through the E9 mine recovery plant with concentrate from the samples processed at KDC's Recovery section using Flowsort X-ray machines, with hand-sorting of the final product.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Not applicable to a bulk sampling operation.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	E9 North samples were geologically logged prior to mining to ensure alluvial gravels were sampled with a minimum of overburden or bedrock.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	These large bulk samples are deemed appropriate for the grades and sizes of the diamonds being sampled.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	Dense Media Separation and Flowsort X-ray diamond processing are deemed appropriate procedures for assessing Ellendale diamondiferous ore.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used to determine diamond concentrations
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Density bead testing is the standard technique for DMS treatment plants. Records of density bead testing results have not yet been found by POZ, although pers comm (Jim Richards to BLD field crew in 2005 to 2007) did confirm density bead testing took place.

Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Not applicable.
	The use of twinned holes.	Not applicable
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All data has been extracted from Company Annual Reports, WAMEX database Accession Reports and ASX Reports as referenced. These data sources from publicly listed companies complying with statutory reporting obligations.
	Discuss any adjustment to assay data.	POZ is not aware of any adjustments to the assay data.
Location of Data points	Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Bulk sample locations were reported at thje time and have been verified on Google Earth.
	Specification of the grid system used.	Grid system is MGA94_51
	Quality and adequacy of topographic control.	The terrain is generally flat. Topographic control is available with some of the associated data and is deemed sufficient for this level of exploration result reporting.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Not applicable for bulk sampling/trial mining
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not applicable, no resources are reported.
	Whether sample compositing has been applied.	Yes
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Trial mining took place over the bulk of the mineralised areas and so this is not applicable.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No sampling bias is known or expected.

Criteria	JORC Code Explanation	Commentary
Sample Security	The measures taken to ensure sample security.	These criteria are not reported.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No review of the sampling techniques and data was reported.

Section 2 Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The former mining lease M04/372 is now a Government of Western Australia Section 19 Reserve under File Notation Area 12621 The other areas contained in this report are all held 100% by POZ Minerals Limited (POZ) as either Mining Leases (granted) or Exploration Leases (of which E04/2415 and E04/2489 are granted and the rest (in Figure 1) are not granted.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	All POZ tenure is held 100% by POZ Minerals Limited The southern portion of the tenements lie on the Bunuba Dawangarri Native Title determined area and the northern part of the tenements lie on the Warrawa Native Title claim. There are no known impediments.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	See Section 1.0 to 2.0 POZ ASX Release dated 9 October 2015 ¹ 1987 to 1993 Stockdale Prospecting Limited (subsidiary of DeBeers) 1994 to 1997 Diamond Ventures NL, Ellendale Resources NL and Auridiam Limited 1994 to 2007 Kimberley Diamond Company (KDC) 2007 to 2014 Blina Diamonds NL (BDI).
Geology	Deposit type, geological setting and style of mineralisation.	See Section 1.0 to 4.0

Criteria	JORC Code Explanation	Commentary
Drillhole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</p> <ul style="list-style-type: none"> · easting and northing of the drillhole collar · elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar · dip and azimuth of the hole · down hole length and interception depth · hole length. 	Not applicable
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p>	All grades are reported as per the original results.
	<p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p>	Not Applicable
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	Not Applicable
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</p>	Not Applicable, these results are for bulk sampling over extended areas

Criteria	JORC Code Explanation	Commentary
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	Refer to Figures 1 and Tables 1 to 2 and Appendix A
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Results from extensive tonnage sampling/mining are reported
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Further data exists but is not within the limited scope of this Announcement .
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	This project is at an early stage and further work is currently being assessed.

^{AA}This Table 1 covers the bulk sampling/mining of the E9 North alluvials and of the Far East Pit of E9. Details of the latter were accessed and information was compiled from Kimberley Diamonds Limited ASX Release dated 11 June 2013, which did not include a Table 1. The Annual Report on M04/372 for 2013 did not include a Table 1 and the Resource Report for that year did not include these exploration bulk samples in the Table 1. This Table 1 has been collated from the information available.