

Option Agreement for Sale of Bulgera Gold Project, WA.

1.0 Introduction

POZ Minerals Limited (POZ) has granted an Option over the Bulgera Gold Project. The incoming party is a private Australian company, APP Gem Mining Pty Ltd ('APP'). The Bulgera Gold Project is 100% owned by POZ and is situated in the multi-million ounce producing Plutonic Well greenstone belt of Western Australia. For further project details see the POZ [ASX Release](#) dated 22 September 2016.

2.0 Terms

The Option has been executed by both parties and a non-refundable fee of \$10,000 cash has been received by POZ. APP is granted the exclusive right to purchase 100% of the Bulgera Gold Project ('Project') expiring 5pm WST on 15 March 2017.

The Option is exercisable by:

- APP becoming listed on the Australian Securities Exchange ('ASX') through IPO, RTO or merger or that APP has entered into a binding agreement with an ASX listed company within the Option period to list on the ASX, or that a Prospectus for the purposes of APP listing on the ASX is lodged with ASIC within the period, and;
- Within five days of exercise of the Option APP will pay to POZ \$30,000 cash plus shares in the ASX listed entity to the value of \$45,000. The deemed share price for this transaction will be the equivalent of the value of APP securities to be issued for the purposes of raising capital at the time of APP becoming listed on the ASX.

POZ will retain a 1% net smelter royalty on the project tenements.

The Board is pleased with the potential of this deal to add value to the Company and will enable the focussing of activities on the Company's other promising projects.

Jim Richards
Executive Chairman

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