

ASX RELEASE

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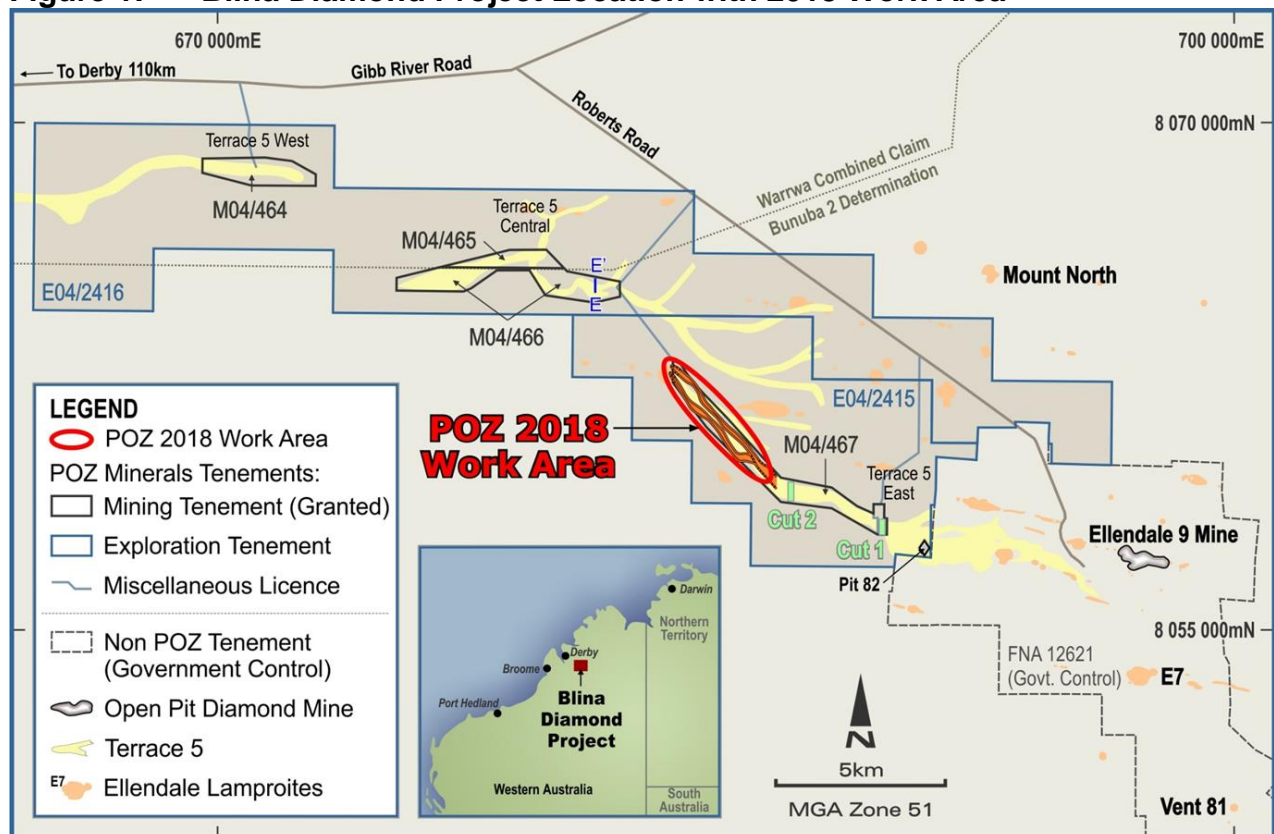


Operations Update - Blina Diamond Project

HIGHLIGHTS

- Road access and clearing works within Mining Lease M04/467 and surrounding leases has commenced
- Reconfiguration, fabrication and servicing of the processing plant screens, feed bin chute and hydraulic system are well underway
- The POZ owned Sortex diamond recovery machines have been removed from the Ellendale 9 minesite recovery sorthouse and are being modified for POZ operations
- Company to present at the Mines & Money Brisbane Conference on Wednesday 20 June (12.40pm plenary session), and will have a booth at the conference on the 20th and 21st

Figure 1: Blina Diamond Project Location with 2018 Work Area



1.0 Introduction: Blina Diamond Project, WA

POZ 100%

POZ Minerals Limited ('POZ' or the 'Company') Blina Diamond Project in the Ellendale Diamond Province of WA's Kimberley Region is 100% owned by POZ. The project consists of four granted mining leases and two exploration leases within an area of 161 km², situated 100km east of Derby.

A diamond bearing alluvial palaeochannel named Terrace 5 extends over some 40km of the POZ project area, with channel widths of 200m to 500m. The largest diamond recovered to date from Terrace 5 weighed 8.43 carats¹ (from Pit 82, Figure 1), with stones larger than two carats common, a significant number of the stones are Fancy Yellows.

2.0 Fieldwork Operations Update

Road access and clearing works within Mining Lease M04/467 and surrounding leases is underway. This will allow vehicular access for field operations including bulk sampling.

A gate providing access across a pastoral fenceline on M04/467 has been constructed.

3.0 Processing Plant Update

- The processing plant sizing and de-watering screens have now been re-configured to sit on the outflow end of the trommel which will save an extra processing and material handling stage. These screens will sort and clean the correct size fraction ready for the Sortex machines which will separate the diamonds.
- The fabrication of these screens are close to being completed in Perth (see photo below). This unit will be transported to site separately to the trommel and will be bolted on at site.

Fabrication of the sizing and de-watering screens



- The trommel hydraulic system pump has been serviced and is in good condition and ready for connection; the hydraulic oil tank has been cleaned; hoses are being sourced.
- Feed bin chute (to feed into trommel) is currently being fabricated.

4.0 Sortex Machines

- The two duplex Sortex (diamond recovery) machines which were recently purchased by the Company have been removed from the E9 mine sorthouse at Ellendale.
- A new sea container has been purchased and the Sortex machines are being reconfigured to be fitted as a twin array within this container which will provide ease of transport, security and weather protection for the diamond recovery system.

One of the two Duplex Sortex diamond recovery machines recently purchased by POZ



5.0 Permitting

Geochemical assays from the ore characterization (auger) drilling have been received and, as expected, there is no deleterious material present in the samples. The amended Mining Proposal is now being finalised to include these results and will soon be lodged with the Department of Mines, Industry Regulation and Safety (DMIRS). The planned auger drilling program is currently awaiting permitting and rig availability, this program may be superseded by bulk sampling operations.

6.0 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), and will have a booth at the conference on the 20th and 21st.

Mr Richards and POZ Director Grant Mooney presented the Blina Diamond Project to select investors in London from 21 to 22 May. These presentations were very well received, with the Blina project's potential for producing fancy yellows diamonds being of particular interest.

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.

7.0 Summary and Lookahead

The Company is pleased with the Company's progress. Screen fabrication of the processing plant is nearly complete, the Sortex diamond recovery machines are being reconfigured for fitting and permitting is being finalised. The commencement of on-ground clearing of access tracks and roads is also an important milestone towards the commencement of bulk sampling operations.

Jim Richards
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POZ Minerals Limited

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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](#)

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.