



POZ Minerals Limited

ABN 51 129 158 550

**Interim Financial Report
31 December 2017**

**POZ MINERALS LIMITED
INTERIM FINANCIAL REPORT**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

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POZ MINERALS LIMITED

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DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2017.

DIRECTORS

The names of the POZ Minerals Ltd (the "Company" or "POZ") Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr James (Jim) Richards – Non Executive Chairman

Mr Grant Mooney – Non Executive Director and Company Secretary

Mr Mark Thompson – Non Executive Director

OPERATING RESULTS

The loss from ordinary activities after tax of the Company for the half-year ended 31 December 2017 after income tax was \$329,198 (2016: \$2,992,376 loss) which included exploration write-offs totalling \$115,613 (2016: \$2,934,130).

REVIEW OF OPERATIONS

The Company presents its half yearly Review of Operations for the period ended 31 December 2017.

1.0 Blina Diamond Project (Western Australia) POZ 100%

The Blina Diamond Project is 100% owned by POZ and has no private royalty obligations. The project consists of two exploration licences with a combined area of 161 km², four granted Mining Leases with an area of 118 hectares and two granted Miscellaneous Licences to facilitate access. The project is situated 100km east of Derby.

POZ has completed land access agreements and ground geophysics surveys over parts of the area and intends to conduct bulk sampling and trial mining operations in 2018.

2.0 Laverton Gold Project (Western Australia) POZ 100%

The Laverton gold project is located 10 km southeast of Laverton in the highly-endowed Mount Margaret mining district of Western Australia and consists of one exploration licence with an area of 54.2 km². The tenement is 4km east of the large Granny Smith gold mine (plant capacity 3.5 Mtpa). The project was pegged by the Company at minimal cost and has no private royalty obligations. The Laverton Project consists of three tenements with a combined area of 63.5 km².

There are a number of areas within the project under transported cover which could hide a significant gold deposit. The Company is currently reviewing this project.

3.0 Bulgera Gold Project (Western Australia) POZ 100%

The Mount Monger Gold Project is located in the Bulong district of the Plutonic Well Greenstone Belt, Western Australia. The project consists of consists of two granted tenements (E52/3276 and E52/3316) with a combined area of 37.3 km². The project is adjacent to excellent infrastructure being 48km north-east from the currently operating Plutonic gold mill, with access is via the original haul road.

The Company has divested this project to Accelerate Resources Limited ('AX8') and retains a 1% net smelter royalty ("NSR") on production.

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4.0 Mount Monger Gold Project (Western Australia) POZ 100%

The Mount Monger Gold Project is located in the Bulong district of the East Coolgardie mineral field and consists of granted tenement E25/525 (26.6km²) which was acquired through pegging.

The project is adjacent to excellent infrastructure being 10km east from the currently operating 1.2Mtpa Randalls gold mill, with access via the all-weather Mount Monger Road.

The Company has divested this project to Accelerate Resources Limited ('AX8') and retains a 1% NSR royalty on production.

5.0 Horse Well Gold Project (Western Australia) POZ 20%

POZ retains a 20% interest in E69/2820 which is free carried up to the completion of a bankable feasibility study. This tenement is a part of Alloy Resources Limited (ASX: AYR) Horse Well Gold Project which lies approximately 50km north-east of the major million ounce Jundee gold mine. This project is currently being explored by AYR <http://www.alloyres.com/projects/horse-well-gold-project>.

6.0 Highland Plains Phosphate Project (Northern Territory) POZ 100%

The Highland Plains Phosphate Project has a JORC compliant Inferred Resource of 53 million tonnes at 16% P₂O₅¹. Substantial amounts of drilling and scoping study work have been done at Highland Plains with proposed solutions for beneficiation to higher grades and product transport logistics using a slurry pipeline.

POZ is currently seeking interested parties with a view to finding an equity partner for Highland Plains.

DIVIDENDS

No dividends have been paid or declared since the start of the financial period and the Directors do not recommend the payment of a dividend in respect of the financial half-year.

EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations or the state of affairs of the Company in the future financial years, except for the following:

- On 14 February 2018, Accelerate Resources Ltd (ASX:AX8) listed on the Australian Securities Exchange Limited. The listing follows the successful execution of the sale agreement over POZ Minerals Ltd Mount Monger and Bulgera gold projects to AX8. The consideration for the sale is:
 - \$60,000 in cash
 - \$600,000 in shares - 3,000,000 AX8 shares at deemed price of \$0.20
 - \$119,900 in options – 1,000,000 unlisted AX8 options exercisable at \$0.25 with an expiry date of 30/04/21
 - POZ Minerals Ltd retains a 1% net smelter royalty on the projects tenements.
- On 26 February 2018, the Company announced capital raising to fund stage 1 bulk sampling and trial mining at the Blina Diamond Project. The capital raising is being undertaken at an issue price of \$0.09 per share and will raise up to \$500,000 from a Share Purchase Plan with the ability of the Directors to accept oversubscriptions and a further \$500,000 through a share placement to sophisticated investors.

POZ MINERALS LIMITED

INTERIM FINANCIAL REPORT

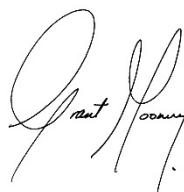
AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from the lead auditor of POZ Minerals Limited, Grant Thornton Audit Pty Ltd, which is included on page 6.

Signed in accordance with a resolution of the Directors



JAMES RICHARDS
Chairman
Dated: 6th March 2018



GRANT MOONEY
Non Executive Director/Company Secretary

Competent Persons Statement

¹ The Company is not aware of any new information or data that materially affects the information included in the previous announcement (JORC 2004) and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

The information in this report that relates to Mineral Resources at the Highland Plains Phosphate Project is based on information compiled by Rick Adams and Ted Hansen who are members of the Australasian Institute of Mining and Metallurgy (AusIMM). Rick Adams and Ted Hansen are directors of Cube Consulting Pty Ltd. And have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a competent Person as defined in the December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Rick Adams and Ted Hansen consent to the inclusion in this report of the Information, in the form and context in which it appears.

The information in this report that relates to previously reported Exploration is based on information compiled by Mr Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Richards is a Director of POZ Minerals Ltd. 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 (the JORC Code). 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.

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Auditor's Independence Declaration to the Directors of POZ Minerals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of POZ Minerals Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 6 March 2018

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POZ MINERALS LIMITED
INTERIM FINANCIAL REPORT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	NOTE	31 December 2017 \$	31 December 2016 \$
Other income from ordinary activities	5	17,440	247,753
Total Revenue		17,440	247,753
Exploration expenses		23,208	37,414
Exploration written off		115,613	2,934,130
Employee benefits expense		58,003	73,382
Accounting and audit		25,705	29,859
Corporate advisory fees		-	20,000
Company secretarial expenses		24,000	24,000
Depreciation expense		4,545	4,097
Rental expenses		29,503	34,375
Administration expenses		50,665	61,988
Share based payments		21,646	3,920
Revaluation of shares		(6,250)	15,625
Loss on disposal of fixed assets		-	1,339
Total Expenses		(346,638)	(3,240,129)
Loss for the period before income tax expense		(329,198)	(2,992,376)
Income tax benefit		-	-
Other Comprehensive Income/(Loss)		-	-
Total Comprehensive Loss for the period		(329,198)	(2,992,376)
		Cents	Cents
Basic loss per share (cents per share)		(0.201)	(1.857)
Diluted loss per share (cents per share)		(0.201)	(1.857)

The accompanying notes form part of the financial statements.

POZ MINERALS LIMITED
INTERIM FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	NOTE	31 December 2017 \$	30 June 2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,644,714	1,995,830
Trade and other receivables		39,138	33,976
Assets held for sale	8	242,207	-
Other		37,566	9,780
Total Current Assets		1,963,625	2,039,586
Non-Current Assets			
Property, plant and equipment		6,008	10,553
Environmental Bond		21,859	22,083
Financial assets	6	15,625	9,375
Exploration and evaluation expenditure	7	1,004,796	1,089,583
Total Non-Current assets		1,048,288	1,131,594
TOTAL ASSETS		3,011,913	3,171,180
LIABILITIES			
Current liabilities			
Trade and other payables		46,971	44,975
Unearned income		30,000	30,000
Provisions		40,401	33,436
TOTAL LIABILITIES		117,372	108,411
NET ASSETS		2,894,541	3,062,769
EQUITY			
Issued Capital	9	14,790,080	14,590,606
Reserves	10	77,566	116,070
Accumulated losses		(11,973,105)	(11,643,907)
TOTAL EQUITY		2,894,541	3,062,769

The accompanying notes form part of the financial statements.

POZ MINERALS LIMITED
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STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31 December 2017 \$	31 December 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Other income	-	239,250
Payments to suppliers and employees	(233,585)	(283,296)
Interest received	16,178	23,911
	(217,407)	(20,135)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	-	(1,166)
Payments for exploration, evaluation and development expenditure	(273,033)	(203,483)
	(273,033)	(204,649)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the exercise of options	143,000	-
Share issue expenses	(3,676)	-
	139,324	-
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD	(351,116)	(224,784)
Cash and cash equivalents at the beginning of the period	1,995,830	2,599,917
Cash and cash equivalents at the end of the period	1,644,714	2,375,133

The accompanying notes form part of the financial statements.

POZ MINERALS LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Ordinary Shares	Share Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2017	14,590,606	116,070	(11,643,907)	3,062,769
Loss for the period	-	-	(329,198)	(329,198)
Other comprehensive income	-	-	-	-
Total comprehensive profit for half year	-	-	(329,198)	(329,198)
Options exercised	60,150	(60,150)	-	-
1,000,000 options excised at 2.6 cents	26,000	-	-	26,000
5,000,000 options exercised at 1.9 cents	95,000	-	-	95,000
500,000 options exercised at 4.4 cents	22,000	-	-	22,000
Share issue costs	(3,676)	-	-	(3,676)
Bunuba options issued	-	10,460	-	10,460
Director options issued	-	10,169	-	10,169
Employee options issued	-	1,017	-	1,017
Balance as at 31 December 2017	14,790,080	77,566	(11,973,105)	2,894,541

	Ordinary Shares	Share Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2016	14,590,606	115,390	(8,263,924)	6,442,072
Loss for the period	-	-	(2,992,376)	(2,992,376)
Other comprehensive income	-	-	-	-
Total comprehensive profit for half year	-	-	(2,992,376)	(2,992,376)
Transfer of expired options to accumulated losses	-	(3,240)	3,240	-
Employee options issued	-	3,920	-	3,920
Balance as at 31 December 2016	14,590,606	116,070	(11,253,060)	3,453,616

The accompanying notes form part of the financial statements.

POZ MINERALS LIMITED

INTERIM FINANCIAL REPORT

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

1. CORPORATE INFORMATION

The financial report of POZ Minerals Limited (the “Company”) for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 6 March 2018.

POZ Minerals Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange Limited (ASX Code: POZ).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These interim financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 ‘Interim Financial Reporting’, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’). Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by POZ Minerals Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Financial assets

Financial assets include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Assets held for sale

Assets held for sale comprise capitalised exploration on tenements subject to a sale agreement. They are held at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets to cease.

(b) Basis of preparation

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2017.

(d) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2017, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

AASB 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 15 Revenue establishes a new revenue recognition model and changes the expands and improves disclosures about revenue. When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 16 Leases requires all leases, other than short term and low value asset leases to be accounted "on balance sheet". When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

The directors have also reviewed all other new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies. These accounting policies are consistent with Australian Accounting Standards and with International Reporting Standards.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore no change is necessary to Company accounting policies.

(e) Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2017. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

POZ MINERALS LIMITED
INTERIM FINANCIAL REPORT

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

3. FINANCIAL RISK MANAGEMENT

Other aspects of the Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial report as at and for the year ended 30 June 2017.

4. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company operates solely in the natural resources exploration industry in Australia, and has determined that there are no operating segments. The Company is predominantly involved in exploration for diamonds, gold and phosphate.

5. OTHER INCOME FROM ORDINARY ACTIVITIES

	31 December 2017	31 December 2016
	\$	\$
Interest received from financial institutions	17,440	30,253
Other income	-	217,500
Total other income	17,440	247,753

6. FINANCIAL ASSETS

	31 December 2017	30 June 2017
	\$	\$
Investment in listed entities	15,625	9,375
Total Financial Assets	15,625	9,375

Financial assets relate to shares held in listed entities and the fair value is therefore determined by reference to active market transactions.

7. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2017	30 June 2017
	\$	\$
Opening balance	1,089,583	3,770,118
Exploration and evaluation capitalised during period	273,033	429,352
Less: Transfer to assets held for sale	(242,207)	-
Less: Impairment	(115,613)	(3,109,887)
Closing balance	1,004,796	1,089,583

8. ASSETS HELD FOR SALE

	31 December 2017	30 June 2017
	\$	\$
Carrying value of assets held for sale ¹	242,207	-
Total Assets held for sale	242,207	-

¹Assets held for sale are capitalised expenditure on tenements subject to a sale agreement, refer to Note 13 for further details.

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FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

9. ISSUED CAPITAL

	31 December 2017	31 December 2017	30 June 2017	30 June 2017
	Shares	\$	Shares	\$
Opening balance	161,168,333	14,590,606	161,168,333	14,590,606
Shares issued 29/8/17 from exercise of options	1,000,000	36,000	-	-
Shares issued to Directors 19/10/17 from exercise of options	5,000,000	140,500	-	-
Shares issued to Employee 26/10/17 from exercise of options	500,000	26,650	-	-
Share issue costs		(3,676)		
Closing balance	167,668,333	\$14,790,080	161,168,333	\$14,590,606

10. RESERVES

Share option reserve	31 December 2017	31 December 2017	30 June 2017	30 June 2017
	Options	\$	Options	\$
Opening balance	12,200,000	116,070	12,200,000	115,390
Employee options issued 13/12/16	-	-	400,000	3,920
Options exercised 29/8/17	(1,000,000)	(10,000)	-	-
Options exercised 19/10/17	(5,000,000)	(45,500)	-	-
Options exercised 8/11/17	(500,000)	(4,650)	-	-
Options issued to Bunuba 16/10/17	6,000,000	10,460	-	-
Directors options issued 26/10/17	5,000,000	10,169	-	-
Employee options issued 26/10/17	500,000	1,017	-	-
Less – expired options	-	-	(400,000)	(3,240)
Closing balance	17,200,000	77,566	12,200,000	116,070

The share option reserve arises as the share options granted vest over the vesting period. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

Using the Black & Scholes options valuation and methodology, the fair value of the options were calculated. The following inputs were used:

INPUT	BUNUBA OPTIONS	DIRECTORS' OPTIONS	EMPLOYEE OPTIONS
Exercise Price	\$0.05	\$0.09	\$0.09
Share price	\$0.042	\$0.061	\$0.061
Grant date	16/10/17	26/10/17	26/10/17
Expected volatility (i)	100%	100%	100%
Expiry date	10/10/20	26/10/20	26/10/20
Expected dividends	Nil	Nil	Nil
Risk free interest rate	1.5%	1.5%	1.5%
Value per option	\$0.0247	\$0.0333	\$0.0333
Number of options	6,000,000	5,000,000	500,000
Value of options	\$148,200	\$166,500	\$16,650
Expensed to 31/12/17	10,460	10,169	1,017

(i) The expected price volatility is based on the historic volatility (based on the remaining life of options), adjusted for any expected changes to future volatility due to public available information.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

11. COMMITMENTS AND CONTINGENCIES

In June 1992 the High Court of Australia held in the Mabo case that the common law of Australia recognises a form of native title. The full impact that the Mabo decision may have on tenements held by the Company is not yet known. The Company is aware of native title claims that have been lodged with the National Native Title Tribunal ("the Tribunal") over several areas in the Northern Territory in which the Company holds interests. The native title claims have been accepted by the Tribunal for determination under section 63(1) of the Native Title Act 1993 (Commonwealth).

Operating Lease Commitment:

The Company entered into a rental agreement commencing 16 May 2016 for a period of 24 months, with a 2 month rent free period.

<u>Office Rental</u>	31 December 2017	31 December 2016
	\$	\$
Due within 1 year	20,269	55,313
Due 2 to 5 years	-	21,420
Total other income	20,269	76,733

Exploration Expenditure Commitments

The Company has minimum statutory commitments as conditions of tenure of certain mining tenements. Whilst these obligations may vary, a reasonable estimate of the minimum commitments if it is to retain all of its present interests in mining and exploration properties is \$266,600 (30 June 2017: \$176,000).

12. RELATED PARTY TRANSACTIONS WITH DIRECTOR RELATED ENTITIES

During the half year, a company associated with Grant Mooney were paid for company secretarial services provided to the Company totalling \$24,000 (2016: \$24,000).

Arrangements with other related parties continue to be in place. For details of these arrangements, refer to the 30 June 2017 annual financial report.

13. EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations or the state of affairs of the Company in the future financial years, except for the following:

- On 14 February 2018, Accelerate Resources Ltd (ASX:AX8) listed on the Australian Securities Exchange Limited. The listing follows the successful execution of the sale agreement over POZ Minerals Ltd Mount Monger and Bulgera gold projects to AX8. The consideration for the sale is:
 - \$60,000 in cash
 - \$600,000 in shares - 3,000,000 AX8 shares at deemed price of \$0.20
 - \$119,900 in options – 1,000,000 unlisted AX8 options exercisable at \$0.25 with an expiry date of 30/04/21
 - POZ Minerals Ltd retains a 1% net smelter royalty on the projects tenements.
- On 26 February 2018, the Company announced capital raising to fund stage 1 bulk sampling and trial mining at the Blina Diamond Project. The capital raising is being undertaken at an issue price of \$0.09 per share and will raise up to \$500,000 from a Share Purchase Plan with the ability of the Directors to accept oversubscriptions and a further \$500,000 through a share placement to sophisticated investors.

POZ MINERALS LIMITED

INTERIM FINANCIAL REPORT

DIRECTORS' DECLARATION

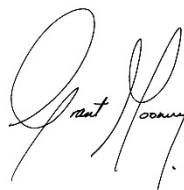
In accordance with a resolution of the Directors of POZ Minerals Limited, we declare that:

- (a) the financial statements and notes of the entity are in accordance with the *Corporations Act 2001*, including:
 - i. give a true and fair view of the Company's financial position as at the 31 December 2017 and of its performance for the half-year ended; and
 - ii. comply with Australian Accounting Standards (AASB 134 *Interim Financial Reporting*);
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



JAMES RICHARDS
Chairman



GRANT MOONEY
Non Executive Director/Company Secretary

Perth, 6th March 2018

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Independent Auditor's Review Report to the Members of POZ Minerals Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of POZ Minerals Limited (the Company), which comprises the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of POZ Minerals Limited does not give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors' Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of POZ Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 6 March 2018