

ASX RELEASE

30 October 2013

ASX Code: POZ



QUARTERLY REPORT

Period Ending 30 September 2013

Summary:

Musgrave Cu-Ni-PGE Project, WA (Anglo-American Farm-in, POZ 30% Free Carried)

- Phase 2 RC drilling program of ~1,000 metres is currently underway.
- Phase 1 RC drilling results at the Manchego Prospect indicate extensive low grade copper mineralisation with some associated nickel and PGE's.
- Farm-in Partner Anglo American currently conducting follow up work. Ground and downhole EM surveys are underway.

Tuckanarra Gold Project, WA:

- Application for a Mining Lease and a Mining Proposal to allow for mining operations over the Project is currently being prepared.
- Maiden Indicated and Inferred JORC resource at Tuckanarra: 2,020,000 tonnes at a grade of 1.55 g/t Au for 100,700 ounces of gold at 0.25g/t Au lower cut off (Table 1 for resource details).

Highland Plains Phosphate Project, NT:

- The Company is actively pursuing commercial options for the Highland Plains Phosphate Project (Inferred Resource of 53 Mt at 16% P₂O₅) which includes the possibility of a trade sale.
- A development option is currently being pursued which includes the possibility of utilising the existing slurry pipeline from the Century zinc mine in Queensland to Port Karumba on the coast. The Highland Plains deposit is only 68km to the west of Century which is currently preparing for the end of open cut zinc production in approximately 2016.

1.0 Musgrave Cu-Ni-PGE Project, WA (Anglo American Farm-in, POZ 30% Free Carried)

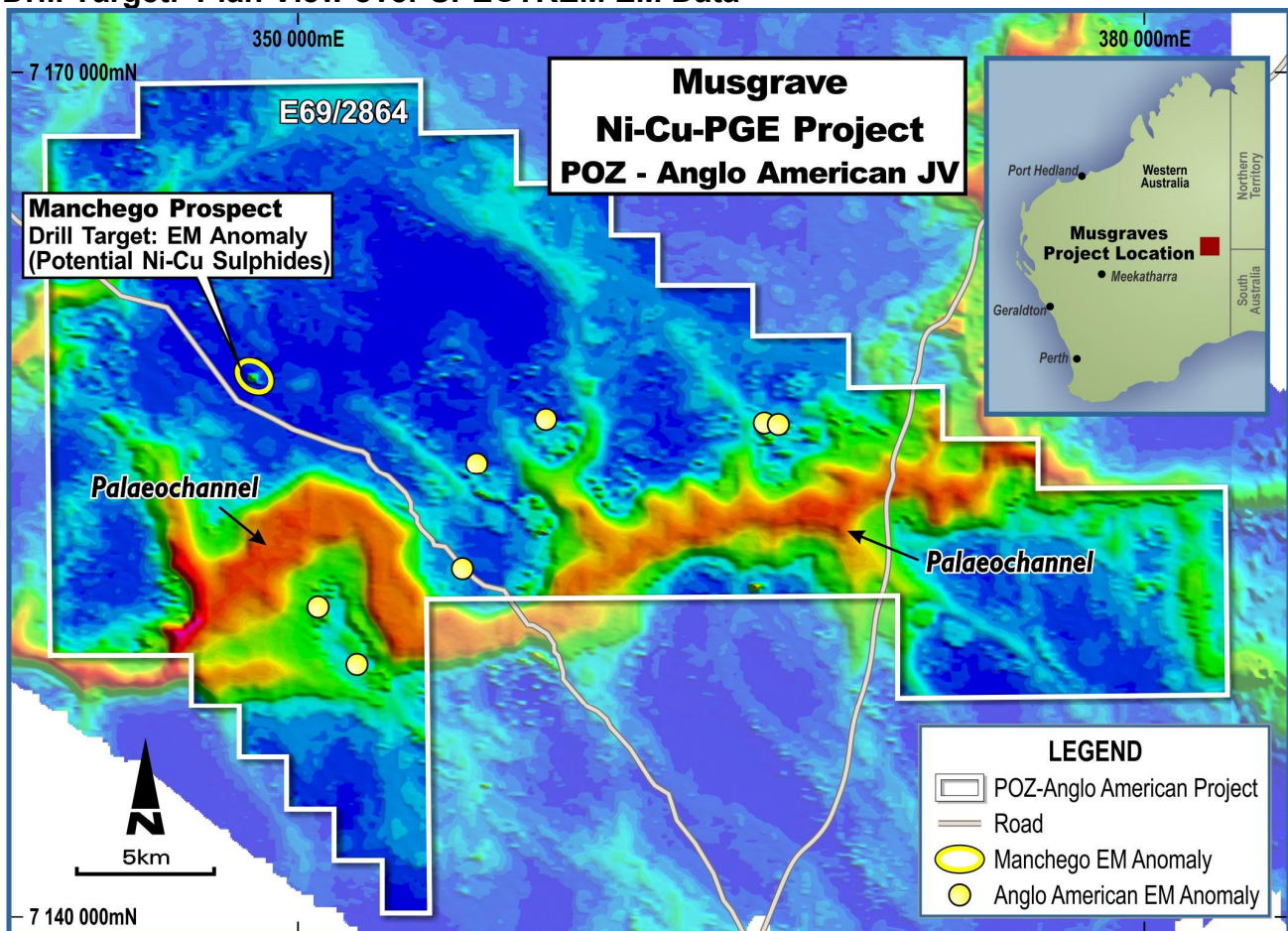
1.1 Background

The Musgrave Project lies in the relatively unexplored Musgrave Province of Western Australia, an area that is prospective for giant, magmatic style nickel-copper sulphide deposits. The most significant discovery in the Musgrave region to date is the BHP Billiton Ltd controlled Nebo-Babel deposit (393 Mt at 0.3% nickel, 0.3% copper and 0.18 g/t PGE).

POZ has a Farm-In agreement for the Musgrave Project with Anglo American one of the world's largest mining groups.

The Farm-In covers exploration licence E69/2864 (an area of 619km²) and Anglo American has the right to earn 70%. POZ is then free carried through the JV until completion of a bankable feasibility study (BFS).

Figure 1: Musgrave Ni-Cu-PGM Project, WA. Manchego AEM Anomaly, Ni-Cu Sulphide Drill Target. Plan View over SPECTREM EM Data



1.2 Geology

The Farm-In area is mainly underlain by the Giles Complex (~1,075 million years), one of the largest layered mafic-ultramafic complexes in the world. Similar large intrusive complexes elsewhere host magmatic Ni-Cu-PGE deposits (e.g. Voiseys Bay, Canada).¹

1.3 Manhego Prospect Ground EM Geophysical Survey and Drilling

In 2012 Anglo American flew an airborne electro-magnetic (AEM) survey over the Farm-in area using its proprietary SPECTREM system. This AEM survey identified a number of anomalies (Figure 1). The best of these anomalies was named Manhego.

In July a follow up ground EM geophysical survey over the Manhego Prospect was completed. Three lines of moving loop EM were completed for a total of 42 stations and 4.5 line kilometres.

Following this, a Phase 1 RC drilling program over Manhego was completed. Nine holes were drilled during the quarter for 1,142 metres. Full assay results were reported in the POZ ASX Release dated 28 October 2013.

These results indicate extensive low grade copper mineralisation with some associated nickel and PGE's.

POZ is encouraged by the widespread nature of the copper mineralisation. The Ni/PGE association is also positive as it indicates these elements are present within the mineralising system.



RC Drill Chips from **MRC 048**. The four mounds of darker sample (114-118m) are **4m @ 0.53% Cu, 0.34% Ni and 0.37ppm Pt+Pd+Au**.

4m @ 0.53% Cu, 0.34% Ni
and 0.37ppm Pt+Pd+Au.

1.4 Follow Up Ground EM Survey

Anglo American has commissioned a follow up ground EM survey to target areas of potentially deeper mineralisation and this survey is currently underway. Downhole EM on the Phase 1 drill holes is also being conducted at this time.

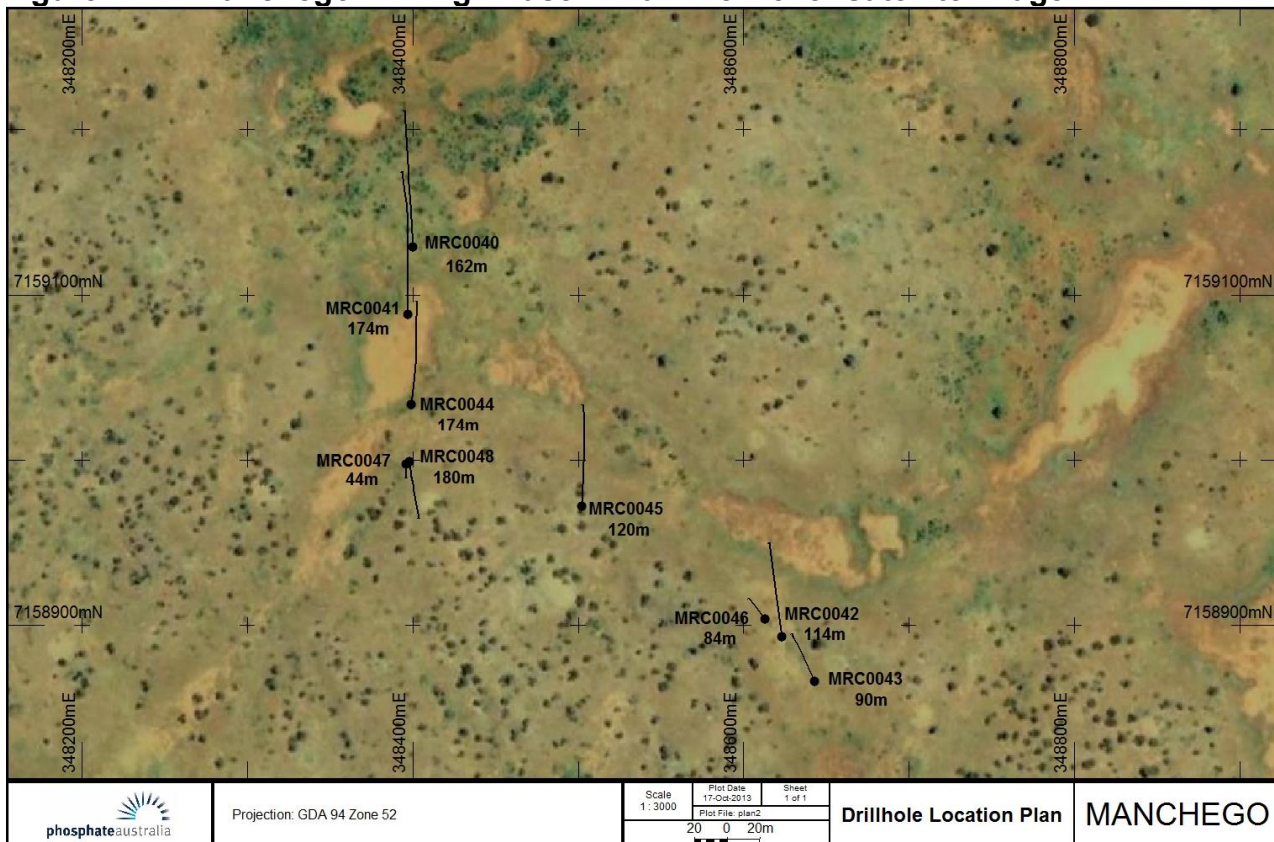
1.5 Follow Up Phase 2 Drilling Program

A Phase 2 follow-up RC drilling program at Manhego commenced on the 29th October 2013. This program consists of approximately five drill holes for ~1,000 metres.

The Phase 2 drilling includes deepening hole MRC048 from 180 to 250 metres. Other drill hole positioning will be dependent on results from the current ground EM surveys. Step out drilling from the initial Phase 1 drilling program will also occur. Phase 2 drilling is currently planned to test the west, southwest and southern extents of the Phase 1 drilling (Figure 2)².

Results from the Phase 2 drill program will be released once they are available and have been assessed.

Figure 2: Manhego Drilling Phase 1 Plan View over satellite image



2.0 Tuckanarra Gold Project (WA) Update

The Tuckanarra Gold Project lies within the West Australian Murchison goldfield (Figure 3) and has previous production of ~125,000 ounces. POZ owns the Tuckanarra Gold Project 100% with no private royalties.

As announced 27 December 2012, the Company completed a maiden **Indicated and Inferred JORC resource at Tuckanarra totalling 2,020,000 tonnes @ 1.55 g/t Au for 100,700 ounces** of gold. See Table 1 for resource details at the cut off grade of 0.25 g/t Au. The resource was calculated by Perth based independent mining industry consultants Ravensgate.

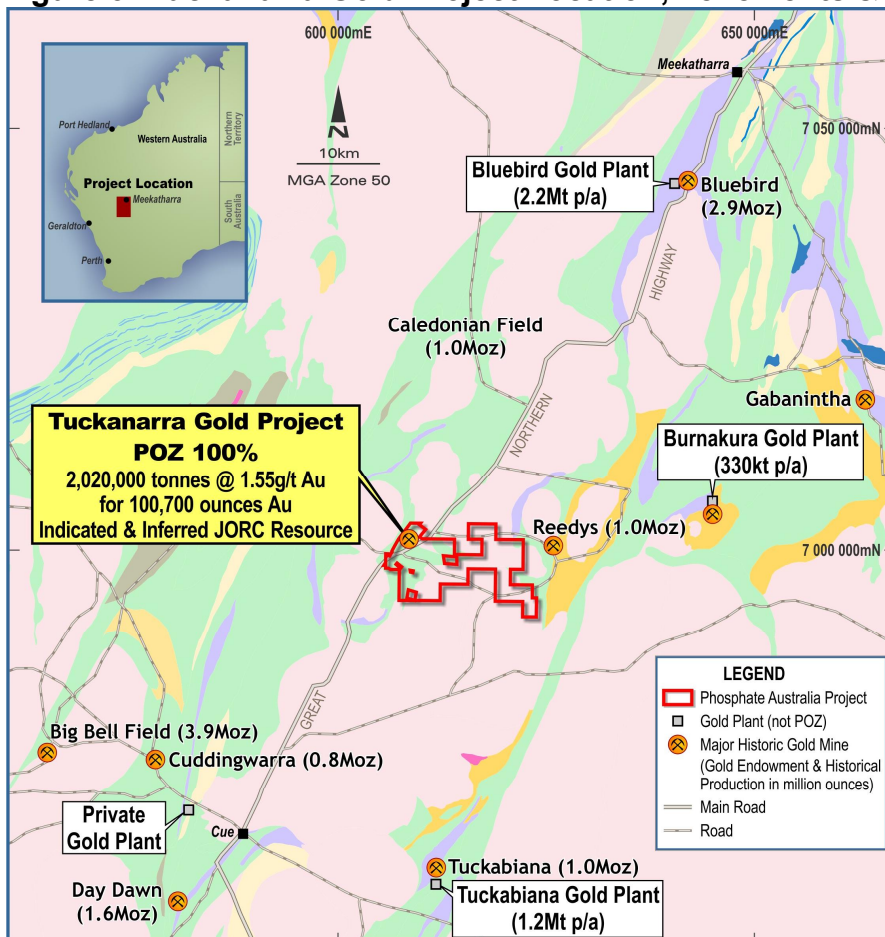
Table 1: Summary of Total Mineral Resources at Tuckanarra

Resource Category	Tonnes	Grade (g/t)	Ounces Au
Indicated	1,091,000	1.60	56,000
Inferred	929,000	1.50	44,700
Total	2,020,000	1.55	100,700

The Tuckanarra Gold Project has shallow mineralisation, excellent metallurgical recoveries, high grades in part and proximity to third party gold mills in the region (Figure 3).

Application for a Mining Lease and a Mining Proposal to allow for mining operations over the Project is currently being prepared. The intent is for Tuckanarra to be positioned for a swift commissioning to mining as commercial circumstances within the gold sector improve.

Figure 3: Tuckanarra Gold Project Location, Tenements & Gold Plants



3.0 Highland Plains Phosphate Project (Northern Territory) Update

The Highland Plains Phosphate Project has a JORC compliant Inferred Resource of 53 million tonnes at 16% P₂O₅. 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. The project is 100% owned by POZ.

The Highland Plains deposit is only 68km to the west of Century which is currently preparing for the end of open cut zinc production in approximately 2016.

The Board is currently exploring commercial options for Highland Plains which includes the possibility of utilising the existing slurry pipeline from the Century zinc mine to Port Karumba on the coast.

Some meetings with interested parties were held during the quarter and the Company will continue to follow up on various options for Highland Plains.

4.0 Nicholson Iron and Manganese Project, (Northern Territory): Option Agreement

The Nicholson Iron and Manganese Project is 100% owned by POZ and covers various tenements in the Northern Territory. The Project is currently under a Joint Venture Option Agreement (JVOA) with Sydney based company Jimpec Resources Pty Ltd (Jimpec) having the right to earn-in to 80% of the Project.

Jimpec are well connected to Chinese interested in iron ore supply and are currently seeking partners to assist in the development of this Project.

5.0 Summary and Outlook

Significant progress has been made during the quarter with the drilling of the prospective Manchego Prospect in the Musgrave region of WA. The initial discovery of extensive low grade copper and associated nickel and PGE mineralisation from this first phase of drilling is a considerable achievement.

The Company's partner in the Musgrave, Anglo American, are currently conducting follow-up drilling at Manchego and POZ is most encouraged by the potential from the early stage results to date.

At the 100% owned Tuckanarra Gold Project, the planning and permitting for a future gold mine progresses well. Application for a Mining Lease and a Mining Proposal to allow for mining operations over the Project is currently being prepared.

The Company has a cash balance of \$2.0 million (30th September 2013).

Jim Richards
Executive Chairman

Enquiries To: Mr Jim Richards +61 8 9422 9555

¹ Neumann, N, Fraser, G 2007, Geochronological Synthesis and Time Space plots for Proterozoic Australia: AGSO Record p208.

² Anglo American, Oct 2013, Quarterly Report to POZ and other communications.

The information in this report that relates to Exploration Results, Mineral Resources or ore reserves 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. 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 2004 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.

The new and updated resource estimations for the Tuckanarra Gold Project Area deposits, including the Anchor, Bollard, Cable, Drogue, Maybelle, Maybelle North and Miners Dream deposits, were also carried out by Mr Craig Harvey utilizing resource drilling data sets provided by Phosphate Australia Limited. Mr Harvey is a Principal Consultant with Ravensgate Mining Industry Consultants and is also a Member of the Geological Society of Southern Africa. Mr Harvey has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harvey also consents to the inclusion in the report of the resource estimation matters for these deposits based on the reporting information in the form and context in which it appears.