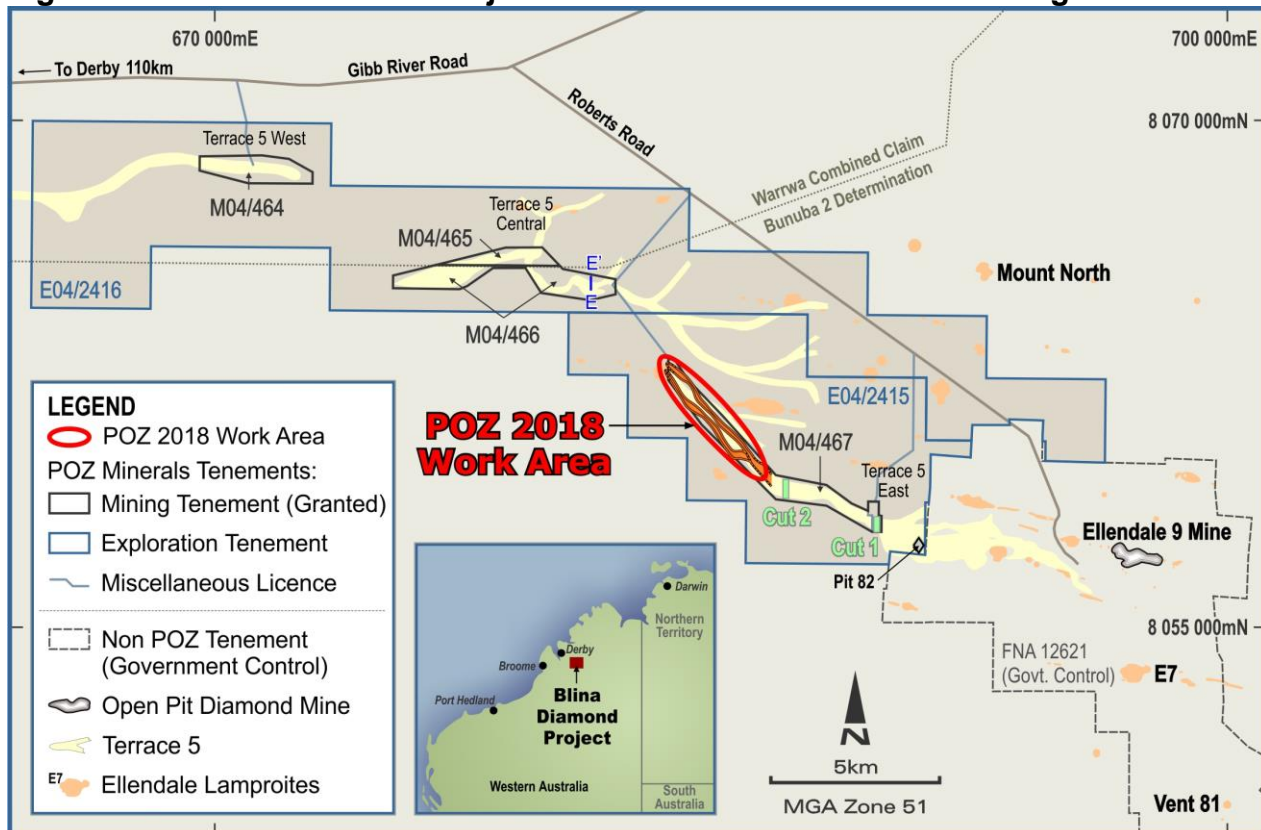


Waterfall Complex Diamond Trap Site Targets Identified at Blina

HIGHLIGHTS

- A series of ancient waterfall diamond trap site targets have been identified on Mining Lease M04/467 at the Company's Blina Diamond Project, WA.
- These new targets were defined using recent Ground Penetrating Survey results and previous exploration data.
- The new targets lie within a Channel which has reported historic diamond grades of up to 10.5 carats per hundred tonnes.
- Target depths are shallow ranging from 6 to 8 metres.
- These and other priority targets will undergo bulk sample testing to be conducted later in the year.

Figure 1: Blina Diamond Project Location with 2018 Work and Target Area



1.0 Introduction

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

A diamond bearing alluvial palaeochannel named Terrace 5 extends over some 40km strike of the POZ project area, with channel widths from 200m to 500m¹. The overall quality of diamonds recovered from Terrace 5 is excellent, and includes an especially desirable population of Fancy Yellow diamonds².

POZ has identified two new discrete channels within Terrace 5, named Channel 1 and Channel 2. The historic bulk sampling which took place over the newly defined Channel 1 area, gave some of the best results within the Terrace 5 system, with grades up 10.5 carats per hundred cubic metres (cphm³), Channel 2 is untested. ([ASX Release](#) dated 7 December 2017 &³).

Late last year, POZ identified a number of 'High Grade' targets (Targets 1 to 9) within Channels 1 and 2 by using the latest Ground Penetrating Radar (GPR) technology combined with previous data.

POZ has identified a further three targets (Targets 10, 11 and 12) upstream of Target 9 within what is modelled to be an ancient waterfall complex.

2.0 Ancient Waterfall Complex Targets 9 to 12

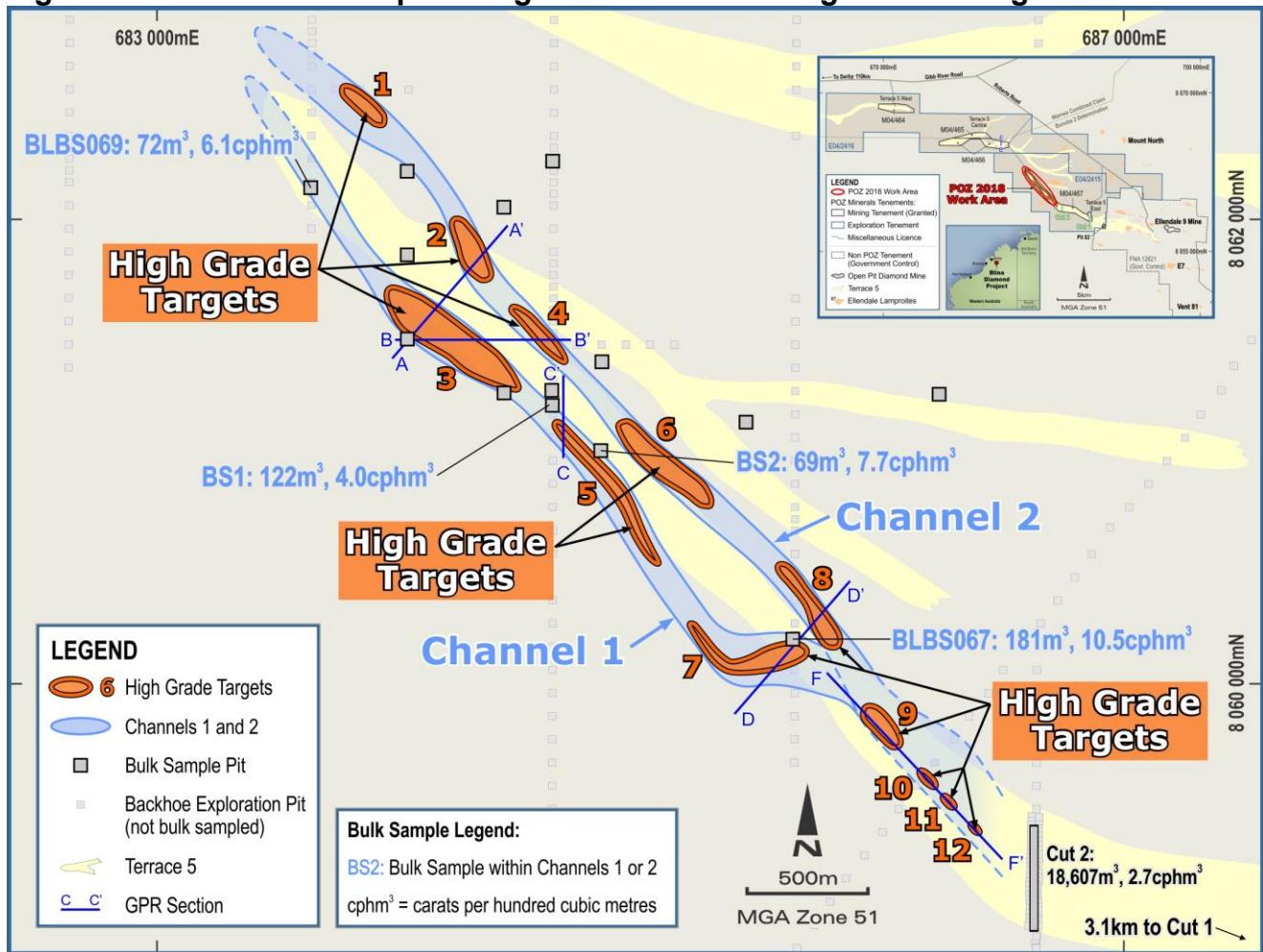
In the south east of the main POZ target area, Channels 1 and 2 combine to form a single flow. A GPR long section through this area was acquired last year and this data has now been interpreted and is shown on Figures 2 and 3 as Section F-F'.

Section F-F' is a long section (it runs parallel to the flow of the ancient river) and the data indicates a series of cascading ancient waterfalls which would make excellent alluvial diamond trap sites. These targets are shallow being some six to eight metres deep. Targets 9 to 12 cover an area of 1.9 hectares and are untested.

The Waterfall Complex Target area lies within a proven diamondiferous channel. Just 300 metres downstream of the Waterfall Target is Pit 67 which had a diamond grade of 10.5 carats per hundred cubic metres³. Some 200 metres upstream from the Waterfall Target lies Cut 2 (trial mined in 2006) which had a diamond grade of 2.7 carats per hundred cubic metres¹. Both of these previously sampled areas had **not** been selected using GPR geophysics methods which POZ has used to define the Waterfall Complex area.

POZ intends to make these Waterfall Complex Targets a priority in the bulk sample testing to be conducted later in the year.

Figure 2: Waterfall Complex Targets 9 to 12. Other High Grade Targets 1 to 8

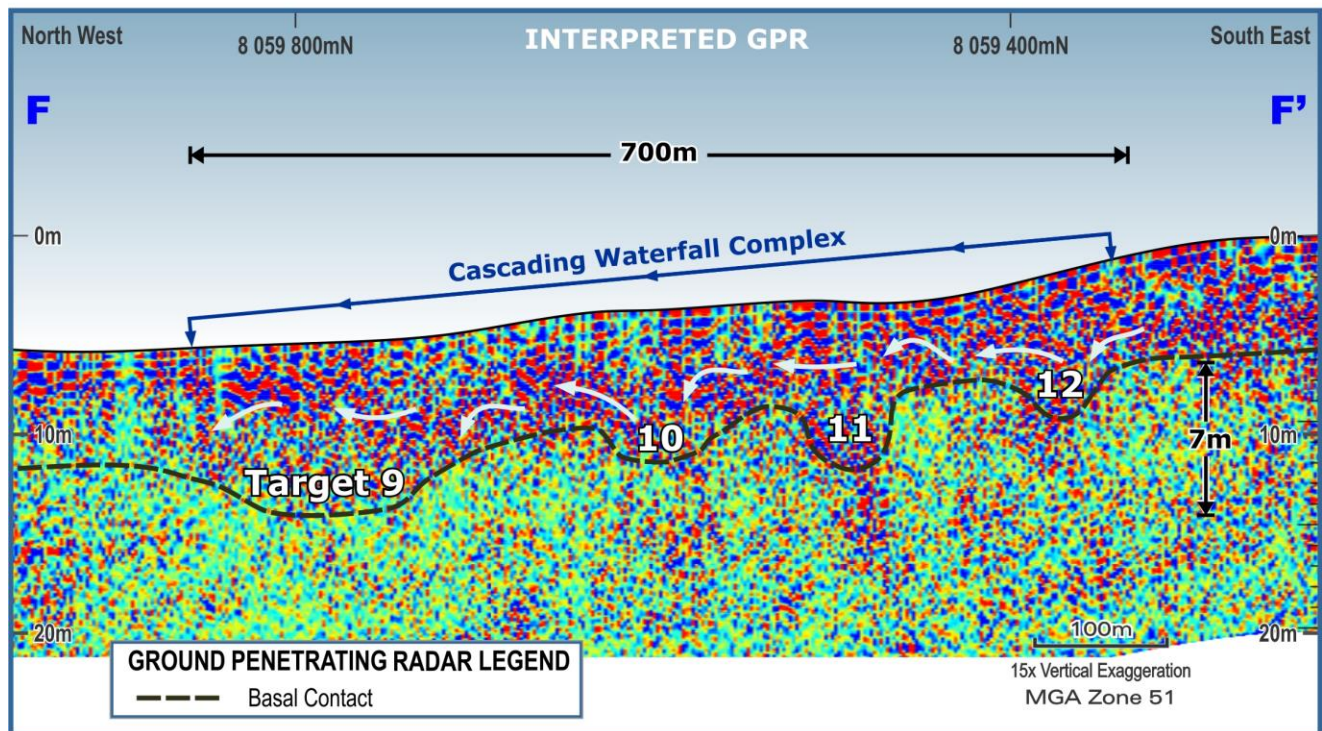
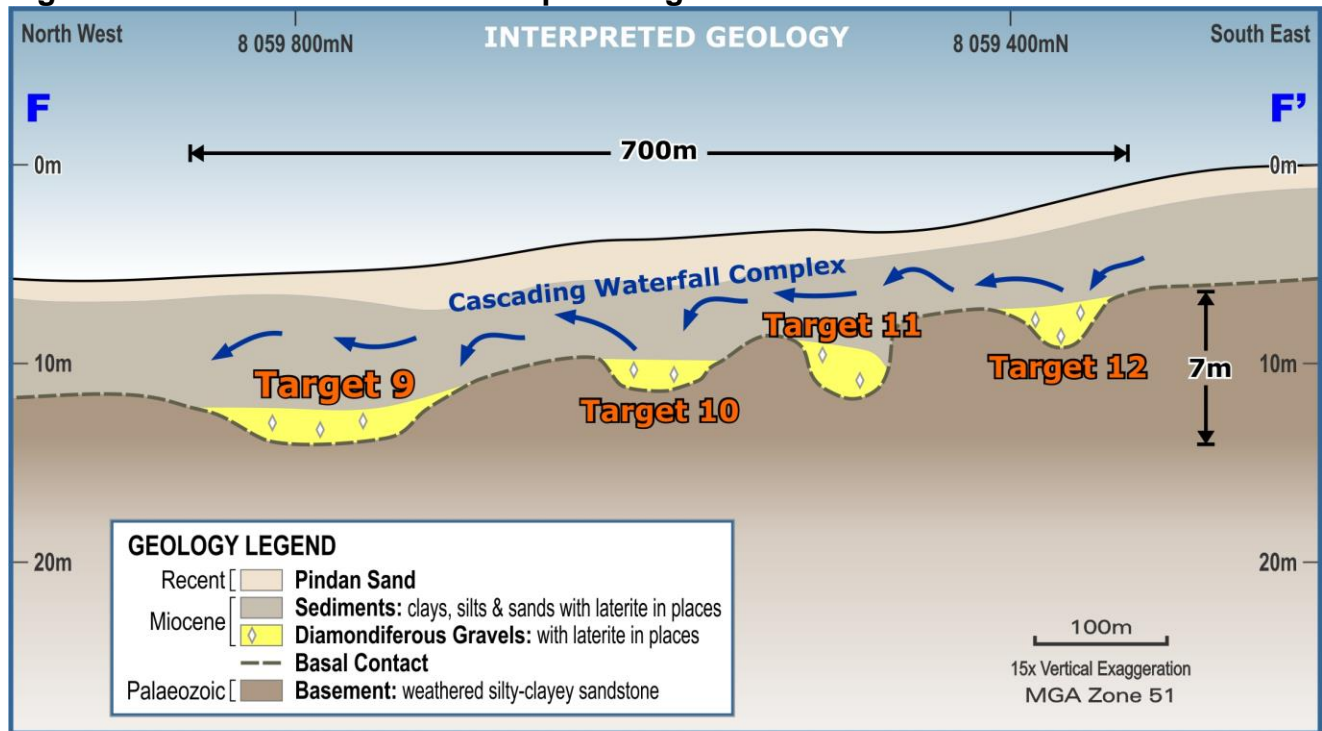


The GPR modelling indicates a single flowing channel running from the northwest to the south east to the with a series of cascading waterfalls over 700 metres with a total fall of 7 metres (gradient of 1:100), this could be enough to create areas of fast flowing water which could generate suitable trap sites for diamond accumulation.

It is also possible that the trap sites 9 to 12 did not all form at the same time, Target 9 may have come first, and then the river eroded upstream (valley extension through headward erosion⁴) and target 10 formed, then Target 11 and so on, with the earlier target trap sites being preserved as the river flows shallowed or changed.

Although there appears to be some complexity to the Terrace 5 channels, POZ believes the most effective strategy is to simply bulk sample the best alluvial trap site targets which have been defined using the GPR and previous data within channels which have previously proven to be diamondiferous.

Figure 3: Ancient Waterfall Complex Targets 9 to 12



4.0 Waterfall Complex Summary

The Company is excited by the potential for high grade mineralisation at the Waterfall Complex group of targets. The geological setting is highly prospective as the target area fits a geological model (waterfall complex) which has the potential to generate high diamond grades and this setting is within a proven diamondiferous channel.

The Company looks forward to testing these targets during 2018.

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](#)

²Terrace 5 Diamond Valuation POZ ASX Release dated 6 November 2017 [click here](#)

³Blina Diamond Project, Gamechanger GPR Survey; POZ ASX Release dated 18 October 2017 [click here](#)

⁴Australian Landforms Understanding a Low, Flat, Arid and Old Landscape (Rosenberg Publishing) 2012, by E.M. Campbell, C. R. Twidale. Page 104

Maiden JORC Exploration Target; POZ ASX Release dated 22 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 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.

Appendix A: Bulk Sample Pit Results from Terrace 5

Bulk Sample ID	Sample Weight (tonnes)	Sample Volume (m³)	Diamond grade (carats per hundred tonnes)	Diamond grade (carats per hundred m³)	Average diamond size (carats)	Largest Stone (carats)
BLBS003	117	67	0.95	1.65	0.10	0.60
BLBS004	132	76	0.16	0.28	0.11	0.20
BLBS005	180	103	3.5	6.09	0.45	5.12
BLBS005A	320	184	2.32	4.04	0.44	2.34
BLBS005N	268	154	1.35	2.35	0.33	0.68
BLBS005S	218	125	0.17	0.30	0.18	0.17
BLBS006	150	86	0.04	0.07	0.02	0.03
BLBS011	no record	no record	n/a	n/a	n/a	n/a
BLBS012	no record	no record	n/a	n/a	n/a	n/a
BLBS013	no record	no record	n/a	n/a	n/a	n/a
BLBS020	167	96	0.20	0.35	0.17	0.22
BLBS021	142	82	0.07	0.12	0.10	0.10
BLBS022	263	151	0.47	0.82	0.31	0.74
BLBS023	185	106	0.58	1.01	0.54	0.58
BLBS024	69	40	1.36	2.37	0.47	0.82
BLBS025	160	92	0.03	0.05	0.05	0.05
BLBS026	137	79	barren	barren	n/a	n/a
BLBS027	250	144	0.34	0.59	0.22	0.39
BLBS028	259	149	1.42	2.47	0.25	0.55
BLBS029	308	177	1.88	3.27	0.3	1.01
BLBS030	476	274	1.41	2.45	0.2	0.65
BLBS031N	170	98	2.45	4.26	0.19	0.16
BLBS032	129	74	1.05	1.83	0.15	0.47
BLBS034	176	101	0.85	1.48	0.21	0.39
BLBS035	142	82	0.51	0.89	0.18	0.31
BLBS050	205	118	0.02	0.03	0.04	0.04
BLBS051	153	88	3.29	5.72	0.39	1.23
BLBS052	125	72	5.06	8.80	0.42	2.40
BLBS053	155	89	0.14	0.24	0.21	0.21
BLBS054	130	75	0.67	1.17	0.12	0.44
BLBS055	52	30	1.71	2.98	0.30	0.75
BLBS057	89	51	6.47	11.26	0.30	1.47
BLBS060	45	26	0.18	0.31	0.08	0.08
BLBS061	220	126	9.82	17.09	0.47	2.58
BLBS063	195	112	5.64	9.81	0.58	2.85
BLBS064	145	83	1.52	2.64	0.22	0.75
BLBS065	140	80	2.57	4.47	0.40	1.01
BLBS066	310	178	4.04	7.03	0.40	1.86
BLBS067	315	181	6.03	10.49	0.40	1.31
BLBS068	153	88	0.40	0.70	0.15	0.25
BLBS069	125	72	3.51	6.11	0.63	1.87
BLBS070	75	43	0.33	0.57	0.13	0.14
BLBS071	185	106	1.20	2.09	0.74	1.76

Bulk Sample ID	Sample Weight (tonnes)	Sample Volume (m ³)	Diamond grade (carats per hundred tonnes)	Diamond grade (carats per hundred m ³)	Average diamond size (carats)	Largest Stone (carats)
BLBS072	160	92	0.39	0.68	0.21	0.30
BLBS073	120	69	0.13	0.23	0.16	0.16
BLBS074	125	72	1.01	1.76	0.42	0.54
BLBS075N	110	63	3.60	6.26	0.40	0.91
BLBS076	146	84	2.26	3.93	0.41	1.94
BLBS077	170	98	2.34	4.07	0.50	1.32
BLBS080	151	87	0.66	1.15	0.14	no record
BLBS082A	243	140	1.18	2.05	0.42	1.38
BLBS082B	380	218	4.41	7.67	1.52	8.44
BLBS083	210	121	2.19	3.81	0.21	0.58
BLBS083A	160	92	11.11	19.33	0.47	2.51
BLBS086	130	75	3.62	6.30	0.20	0.43
BLBS087	120	69	5.38	9.36	0.20	0.84
BLBS135	64	37	barren	barren	n/a	n/a
BLBS136	170	98	0.02	0.03	0.03	no record
BLBS143A	144	83	0.48	0.84	0.08	no record
BLBS143B	217	125	barren	barren	n/a	n/a
BLBS143C	30	17	0.63	1.10	0.19	no record
BLBS257	163	94	2.33	4.05	0.95	3.14
BS1	213	122	2.32	4.04	0.31	1.57
BS2	120	69	4.45	7.74	0.38	1.03
BS3	196	113	1.30	2.26	0.51	1.83
BS4	218	125	barren	barren	n/a	n/a
BS6	195	112	0.31	0.54	0.20	0.38
BS7	185	106	1.03	1.79	0.64	1.42
BS8	290	167	0.18	0.31	0.13	0.37
BS9	201	116	barren	barren	n/a	n/a
BS10	81	47	barren	barren	n/a	n/a
BS11	141	81	barren	barren	n/a	n/a

Tonnes converted to cubic metres using an SG of 1.74, the weighted average recorded SG for Cuts 1&2

BLBS is a KDC or Blina Diamonds NL pit

BS is a Diamond Ventures NL pit

AMG co-ordinates for the pits within this report are available via Figure 2

Full list of AMG co-ordinates for the above pits is available in Appendix B, POZ ASX Release 18 Oct 2017

Appendix B JORC Code, 2012 Edition – Table 1

This Table 1 summarises work done between 1995-2008 on POZ Minerals' Blina Diamond Project. The companies undertaking this work were Kimberley Diamond Company NL (KDC), Blina Diamonds NL, Diamond Ventures Exploration Pty Ltd, and Kimberley Resources NL. POZ will not tabulate geochemical results as the Company deems these are not material to POZ's alluvial diamond exploration model or strategy.

The accession reports summarised in this document are a42864, a47812, a51360, a54883, a57833, a59481, a59998, a61480, a62589, a64735, a64924, a66802, a69826, a70125, a72738, a74960, a77881, a78278, a86615, and a93271

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling Techniques	<p>Bulk Samples: Sample sizes range from 68 tonnes to 476 tonnes. All pits were dug to just below the bedrock/gravel interface. A small Heavy Media Separation (HMS) plant was used to process samples; samples were initially (1995-1998) transported off site for processing, and later (1999 onwards) processed in an on-site laboratory before being transported off site. HMS plant performance was monitored using density tracers with a specific gravity equivalent to diamond.</p> <p>During the 1996 season concentrate was screened into a number of size fractions (-1mm, +1-2mm, +2-3.5mm, +3.5-7mm and +7-10mm). All fractions were passed over a high intensity magnetic separator and the more magnetic ironstone removed and discarded.</p> <p>In the 1995-1999 seasons the non-magnetic, +1mm fractions were crated and trucked to Remote Systems in Malaga for x-ray sorting. The non-magnetic, +0.8-1mm fraction was passed through heavy liquid (tetrabromoethane) and diamonds recovered under a binocular microscope. The +1mm non-magnetic fractions were through an X-ray Sorting machine (Sortex) and the resulting concentrates visually checked for diamonds.</p> <p>Bulk Samples: Gravel samples were collected using a bulldozer or a 35t excavator. The sample was processed at +1.0mm to 10.0mm (1996), +1.2mm to 10.0mm (1997) or +1.5mm to 10.0mm (1999 onwards) screens. Sample was then passed through a Heavy Media Separation (HMS) plant to produce a concentrate, the non-magnetic proportion of which was placed through an X-ray Sortex machine and the resulting concentrate examined using binocular microscopes to identify diamonds.</p> <p>Diamond Ventures bulk samples BS1 to BS11 were screened at +1.4mm to -12.0mm.</p> <p>From the 1999 season onwards the HMS plant operated with a screen size from 1.5mm lower cut-off to 16mm top cut-off.</p>
Drilling Techniques	<p>Drill techniques used at the Blina Diamond Project include: aircore (AC), rotary air blast (RAB), and Bauer (wide diameter) drilling. Samples were geologically logged and the geology recorded. In some drillholes an HMS sample or a geochemical sample was collected from the interpreted basal contact. POZ does not deem these geochemical or HMS samples as being material to the Company's diamond exploration model or strategy, and as such is not collating or reporting on these data.</p> <p>Although not a drilling technique, 677 Bedrock Interface Samples and 710 exploration pits were completed by previous operators at the Blina Diamond Project. These were dug with a 35 tonne excavator and ranged in depth from 0.5m to 12m. All pits were geologically logged, with particular attention paid to alluvial gravels overlying the basal contact. In selected pits the geologist collected an HMS sample to test for diamonds and diamond indicator minerals.</p>
Drill sample Recovery	Logged by on-site geologist and recorded on paper drill logs
Logging	<p>Geological logging is quantitative in nature.</p> <p>Photos of some bulk sample sites were collected and are available to POZ.</p> <p>POZ believes size screening, HMS mineral separation, and X-ray Sortex processing of samples is an industry-appropriate sample preparation technique for alluvial diamonds.</p> <p>POZ believes the sizes of the bulk samples are appropriate for the material being sampled, but the number of samples for the style of mineralisation (alluvial diamonds) is inappropriate, as diamond distribution can be highly inhomogeneous in alluvial gravels.</p>

Sub Sampling Techniques and Sample Preparation	Sample size screening, HMS separation, and X-ray Sortex processing, are industry standard processes for diamond recovery from a concentrate.
	<p>A66802: KDC Ground Penetrating Radar (GPR) study</p> <p>In July 2002 a GPR survey was conducted by SensOre Services at KDC’s Ellendale project to determine whether the technique could be used to rapidly obtain detailed information on palaeochannel locations. The surveys were conducted using a GSSI SIR-20 GPR data acquisition system together with a 200 MHz GSSI antenna and 35MHz and 70MHz Radarteam antennas.</p> <p>Data acquisition was triggered by a survey wheel, and a Garmin e-map GPS was connected to the SIR-20 to record position on some lines. Background removal was via a 501 trace median filter and automatic gain control was applied.</p> <p>POZ Minerals GPR survey</p>
Quality of assay data and laboratory tests	In May 2017 POZ Minerals contracted Core Geophysics to undertake an UltraGPR system survey of the Blina diamondiferous palaeogravels. 25MHz to 80MHz transmitters and real time receivers with a 32,000 stacking rate were used.
	The UltraGPR system comprises a 6m ‘snake’ towing a radar receiver in front of a radar transmitter, connected by dipole antennae. Data is transmitted via Bluetooth to a handheld DPA device, and location is obtained via backpack DGPS.
	Data processing involves: zero time correction; gaining; dewowing; removal of signal ring down; band pass filtering; velocity analysis (depth); and migration. Tree interference was removed using a 2S FFT filter.
	HMS plant performance was monitored using density tracers with a specific gravity equivalent to diamond. Tracer recoveries are not tabulated in accession reports, however accession report a51360 (Kimberley Diamond Company Combined Annual Report C420/1995 for the period 24/2/1996 – 23/2/1997) states “tracer recovery rarely fell below 100%.”
	Not applicable.
	Not applicable
	All data has been extracted from the WAMEX database Accession Reports and ASX Reports as referenced. These data sources are from publicly listed companies complying with statutory reporting obligations and are deemed appropriate.
Not recorded.	
Most sample sites were captured by hand-held GPS, with the exception of Bauer drillholes which were captured by DGPS. Many bulk sample sites are visible in Google Earth, and correspond well with their reported coordinates.	
Verification of sampling and assaying	Grid system is MGA94_51
	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.
	Sample locations are shown in attached figures and sections
	All data has been extracted from the WAMEX database Accession Reports and ASX Reports as referenced. These data sources are from publicly listed companies complying with statutory reporting obligations and are deemed appropriate
Location of Data points	Not applicable.
	Not applicable.

	No sampling bias is known or expected.
Data spacing and distribution	Not recorded.
	Not recorded.
Orientation of data in relation to geological structure	No sampling bias is known or expected.
Sample Security	Not reported
Audits or reviews	Not reported

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	Mining Lease Applications M04/464, M04/465, M04/466 and M04/467 were applied for by POZ Minerals Limited. M04/464 and M04/465 are on the not determined Warrwa native claim. M04/466, M04/467 and 5% of M04/465 are on the determined Bunuba 2 claim. All Mining Leases are 100% held by POZ Minerals with no encumbrances.
	The tenements have been applied for in the name POZ Minerals Limited with no other holders. There are no known impediments to obtaining a license to operate in the area, other than Native Title. M04/466 and M04/467 were granted on 13/10/2017 pursuant to a Mining Agreement the conditions of which are summarised in the POZ ASX Release dated 16 October 2017. M04/464 and M04/465 are not granted
Exploration Done By Other Parties	<p>A number of companies have previously completed exploration in the Ellendale Field. The following is a summary of this work.</p> <p>Ashton Joint venture (1976-1988) Initial regional drainage diamond exploration program discovered Ellendale 4 (E4) pipe. Follow-up geophysical surveys discovered 40 more pipes; bulk sampling revealed significant diamond grades at E4 and E9.</p> <p>Stockdale Prospecting Limited (1987-1993) Regional loam sampling; airborne multi-spectral scanning; aeromagnetics; ground magnetics; SIROTEM; drilling; bulk sampling.</p> <p>Diamond Ventures/Ellendale Resources/Auridiam (1994-1997). Accession report a64924. Initial JV flew detailed low-level aeromagnetic survey, discovering five new lamproite pipes; bulk testing of pipes.</p> <p>Kimberley Diamond Company Limited (KDC) (1994-2004). Accession reports a42864, a47812, a51360, a54883, a57833, a59481, a59998, a61480, a62589, a64735, a64924. Airborne EM and magnetics with follow-up ground magnetics; gravity surveys; AC drilling to discover and delineate the Terrace 5 palaeodrainage gravels; exploration pitting and bedrock interface sampling; large-diameter drilling and bulk sampling; geochemical (termite nest and AC spoil) sampling programs; GPR trial; regional regolith mapping and Landsat imagery.</p> <p>KDC-Blina Diamonds NL (2004) Accession report a69826. Drilling of Falcon geophysical targets; heavy mineral sampling; termite mound geochemical sampling.</p> <p>Blina Diamonds NL (2005-2008) Accession reports a70125, a72738, a74960, a77881, a78278, a86615, a93271.</p>

	Cut 1 and Cut 2 bulk samples; detailed aeromagnetic and ground magnetic surveys; AC drilling; bulk sampling and trenching; 1m and 2.5m Bauer rig drilling; geochemical, microdiamond, and indicator mineral sampling; excavator exploration test pitting.
Geology Drill hole Information	The Blina Diamond Project is a diamond-bearing palaeogravel with diamonds believed to be mainly derived from the Ellendale 9 lamproite pipe. See: Appendix A (Bulk samples: sample number, accession number, easting, northing, date, sample weight, diamond grade, average diamond size). Appendix B (test pits: sample number, accession number, easting, northing, mRL, dip, total depth)
Data aggregation methods	All grades are reported as per the original results. Not applicable. Not applicable.
Relationship between mineralisation widths and intercept lengths	Not applicable.
Diagrams	Refer to Figures, Sections and Appendix A in body of text.
Balanced reporting	All grades are reported as per the original results.
Other substantive exploration data	No other substantive exploration data is known.
Further work	See Para 4.0 Lookahead in body of text and previous POZ ASX Releases and presentations for detailed breakdown of further work