

Blina Diamond Project, WA. Grant of Mining Leases and Native Title Agreement

HIGHLIGHTS

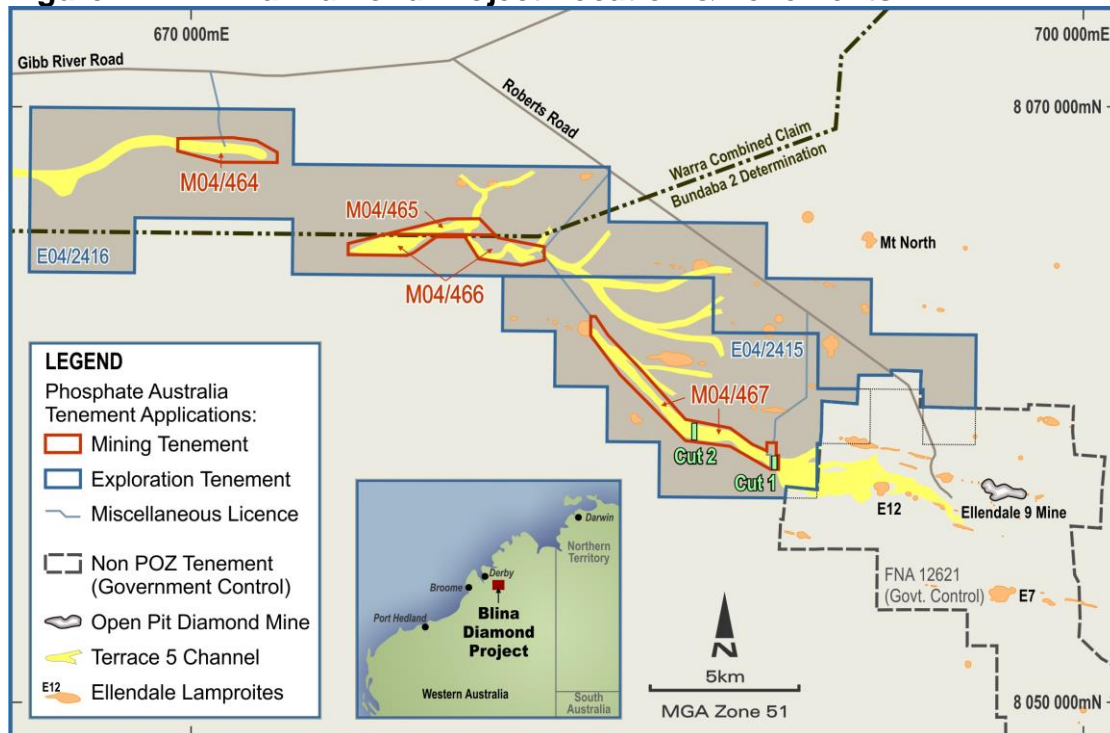
- POZ Minerals Limited has secured a Mining Agreement with the Bunuba Dawangarri Aboriginal Corporation ('Bunuba'), the Traditional Owners for the southern part of the Blina Diamond Project area, in the Ellendale Diamond Province, West Kimberley region of Western Australia.
- This historic Mining Agreement has allowed the grant (on 13 October) of Mining leases M04/466 and M04/467 which are the two key licenses at the heart of developing the Blina Diamond Project.
- Diamond Bulk sampling and trial mining operations are planned to start in 2018.
- A fauna and flora survey has commenced to facilitate the grant of mining permitting.
- POZ Minerals Blina Diamond Project in the West Kimberley region of WA covers a 40 km long diamond bearing palaeo-channel named Terrace 5. The channel drains the central section of the previously mined Ellendale diamond field which is renowned as a globally significant source of rare fancy yellow diamonds.



Signing of the Mining Agreement. L-R: POZ Chairman Jim Richards; Bunuba Dawangarri Aboriginal Corporation Chairman Keith Bedford; one of the Traditional Owners for the Blina Project Area, Helen Oscar and Bunuba member Patrick Green. Fitzroy Crossing 10 October 2017.



Some of the diamonds recovered from the Terrace 5 trial mining in 2005, largest stone 8.4 carats.

Figure 1: Blina Diamond Project Location & Tenements


1.0 Introduction

POZ Minerals Limited ('POZ' or the 'Company') is pleased to announce the signing of a Mining Agreement between POZ and the Bunuba Dawangarri Aboriginal Corporation ('Bunuba'), the Traditional Owners for the southern part of the Blina Diamond Project area. This agreement has facilitated the Native Title Tribunal to permit the grant of Mining leases M04/466 and M04/467, and these leases were duly granted on 13 October 2017. The terms of the agreement are covered below.

This is an important and historic milestone in the development of the Blina Diamond Project and POZ looks forward to a long lasting and mutually beneficial partnership with the Bunuba traditional owners.

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

The grant of these mining leases now allows POZ to commence bulk testing and trial mining of the proven diamond bearing alluvial palaeochannel system, named Terrace 5, which extends over some 40km, with channel widths of 200 to 500m. This testing is being planned for 2018. Diamonds previously recovered from the Terrace 5 gravels are considered large, with an average stone size of around 0.4 carats. Most stones are of gem quality. The largest diamond recovered to date from Terrace 5 weighed 8.44 carats (from BLBS082)¹, with stones larger than two carats common.

The key to exploring the Terrace 5 diamondiferous channel is to find the best alluvial trap sites which are most likely to host the highest diamond grades, these trap sites usually occur around the sediment/bedrock interface. POZ Minerals has completed a ground geophysics survey using the latest in Ground Penetrating Radar (GPR) technology², and the Company is assessing this data in order to generate targets for the bulk sampling program.

For a more detailed description of this GPR targeting see the last POZ quarterly report [POZ Quarterly 28 June 2017](#).

2.0 Mining Agreement Secured with the Bunuba People

The recent signing of a Mining Agreement between POZ and the Bunuba Traditional Owners has allowed the Native Title Tribunal to determine that the grant of mining leases M04/466 and M04/467 may be done. This has now occurred and the leases were granted on 13 October 2017. The main terms of the commercial agreement are covered below:

2.1 Employment and Training

- The Company will use its best endeavours to facilitate the employment of members of the Bunuba People in its mining activities and the Company commits to an ongoing training schedule for the employees.
- The Company will ensure that during mining activities at least 25% of the onsite workforce consists of local indigenous employees.

2.2 Share Options

- POZ will immediately issue to Bunuba, 6,000,000 Share Options in POZ.
- The Options will be exercisable at 5 cents each and will be valid for exercise for three years.
- The Options shall be exercisable at any time from the date upon which POZ has treated a minimum of 1,000 tonnes of material through the Company's treatment plant.

2.3 Profit Share

The Company will pay to the Bunuba an amount equal to 5% of net profits from the sale of minerals from within the agreement area. Deductions prior to the calculation of net profit will include all costs incurred by the Company in relation to the extraction and sale of products recovered from the project, including all taxes and royalties (but not corporations tax).

2.4 Earthmoving Contract

POZ will enter into a contract on standard and competitive commercial terms and rates for the provision of earthmoving services with an entity to be nominated by the Bunuba, force majeure and other standard clauses will apply.

POZ believes this Mining Agreement with the Bunuba people will have a long lasting and significant benefit for both parties, the Company will gain certainty over tenure and future development options, including full scale mining, whilst the Bunuba group ensure that their heritage is protected and that employment, training and financial benefits will flow to the group. The Bunuba earthmoving contract provides further opportunity for development and economic advancement.

3.0 Next Steps

- POZ has now issued to the Bunuba a heritage notice in order to organize a heritage clearance survey over the area in which the Company wishes to operate. POZ is pushing for this survey to take place as soon as possible.
- A fauna and flora survey has been commissioned from Animal Plant Mineral Pty Ltd in order to procure the necessary Mines Department clearances for operations.
- Full operational permitting documentation is being prepared and will be lodged with the Mines Department in order to allow for bulk sampling and trial mining operations to commence in 2018.
- The northerly two mining lease applications (M04/464 and M04/465) fall within the Warrwa Combined Native Title Claim and are not yet granted. Negotiations with the Warrwa group have also been successful and the grant of these two leases now awaits a determination from the Native Title Tribunal which POZ believes will happen within the next few weeks.

4.0 Blina Project and Mining Agreement Summary

The Directors of POZ would like to thank the Bunuba people for their involvement with the Company and we are excited by the opportunities this mutually beneficial Mining Agreement has presented for both parties.

The Blina Diamond Project has excellent potential to deliver a relatively simple and low capital cost alluvial mining operation. This Mining Agreement with the Bunuba group represents a significant milestone towards achieving that aim.

Jim Richards
Executive Chairman
POZ Minerals Limited

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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](#)

² <http://www.geophysical.com/whatisgpr.htm>

The information in this report that relates to previously reported exploration results 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.