

ASX RELEASE

29 April 2014

ASX Code: POZ



QUARTERLY REPORT

Period Ending 31 March 2014

Summary:

Tuckanarra Gold Project, WA

POZ 100%

- Application for a Mining Lease and a Mining Proposal to allow for mining operations over the Project was lodged during the quarter. POZ is currently expediting the grant of these permits.
- Maiden Indicated and Inferred JORC (2004) 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 (section 1.0 and Table 1 for resource details and breakdown).

Musgrave Project

POZ 100%

- Anglo American have advised they will withdraw from the Farm-In over E69/2864.
- Manchego Prospect Phase 2 RC drilling results reported during the quarter. These results indicate an extensive area of copper mineralisation 350 x 400 metres open in all directions.
- This withdrawal of Anglo now provides POZ with the opportunity to market their total landholding in the Musgrave region. This consists of two 100% POZ held tenements, E69/2864 (granted) and E69/3191 (application) for a total area of 785.7km².
- Musgrave TMR Project (POZ 100%). The POZ Musgrave tenements are highly prospective for large tonnages of titaniferous-magnetite rock (TMR). POZ has previously taken rock chip samples which average: iron - 46.5% Fe, titanium - 24.4% TiO₂, vanadium - 1.2% V₂O₅, gold, platinum, palladium and rhodium - 2.45 ppm PGE + Au (Pt dominant).

R&D Tax Refund

- During the quarter, the Company received a Research and Development Tax Incentive Refund from the ATO for work conducted during the 2012-13 tax year. This refund was \$303,355; these funds (less 15% claim expenses) were applied to general working capital.

1.0 Tuckanarra Gold Project (WA) Update

POZ 100%

The Tuckanarra Gold Project lies within the West Australian Murchison goldfield (Figure 1) 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 (2004) resource at Tuckanarra totalling 2,020,000 tonnes @ 1.55 g/t Au for 100,700 ounces** of gold. See Table 1 below 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. For details see POZ ASX Announcement dated 27th December 2012³.

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

During the quarter, a Mining Licence Application (M20/527 on Figure 2) and a Mining Proposal to allow for mining operations at Tuckanarra were lodged with the Department of Minerals and Energy (DME). These applications are currently progressing with POZ liaising with the DME to expedite the grant of the permitting.

Figure 1: Tuckanarra Gold Project Location, Tenements & Regional Gold Plants

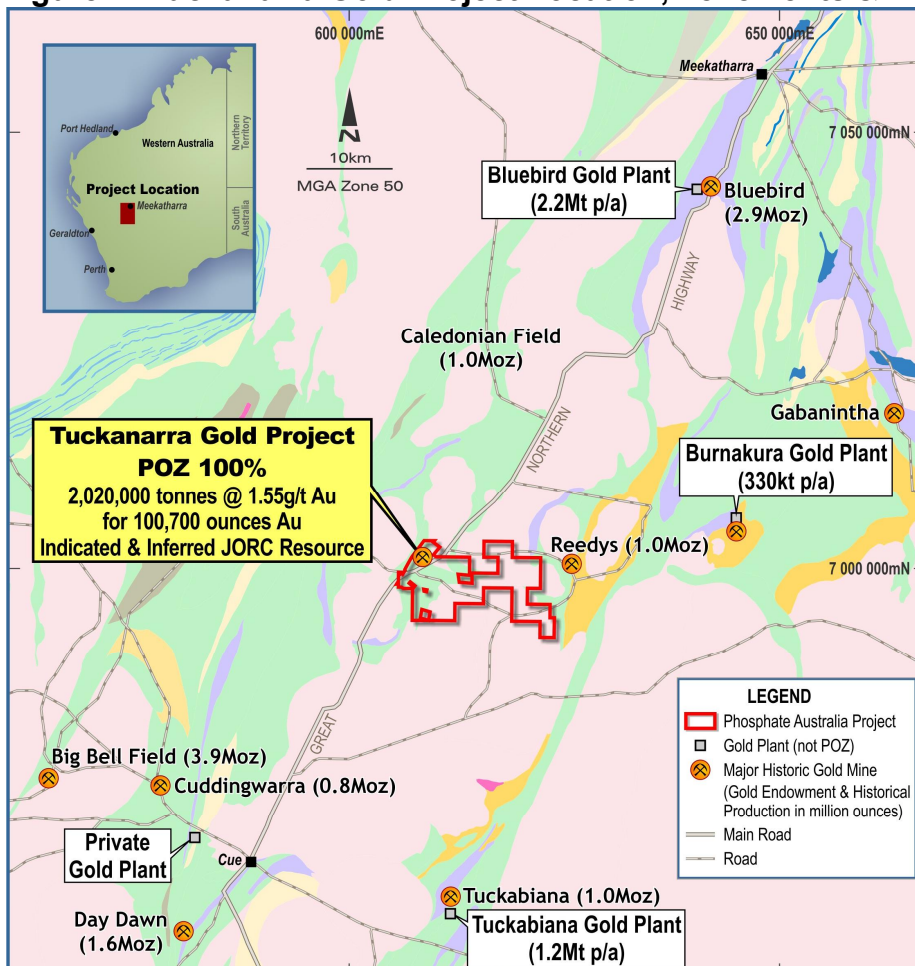
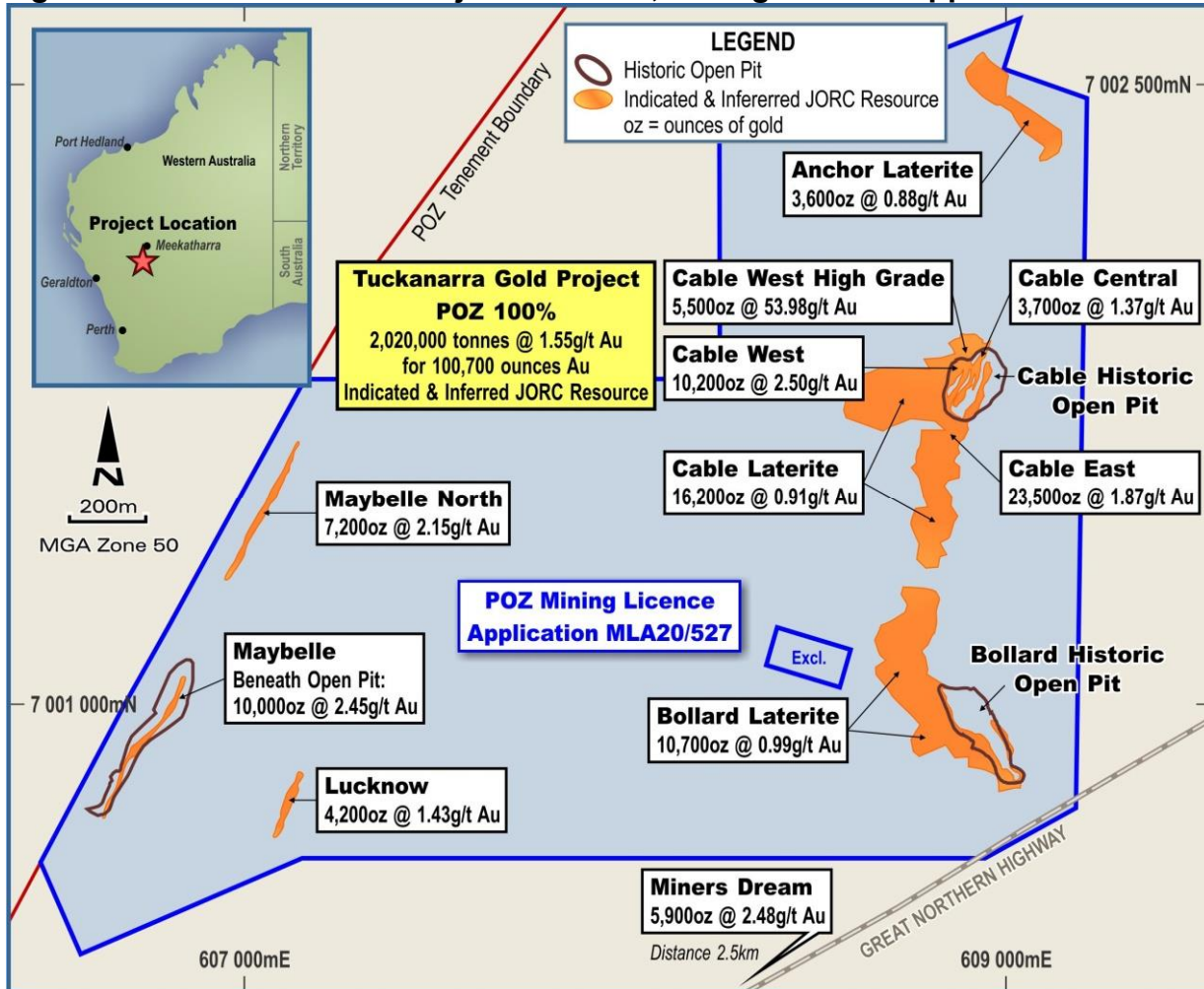


Figure 2: Tuckanarra Gold Project Location, Mining Licence Application M20/257

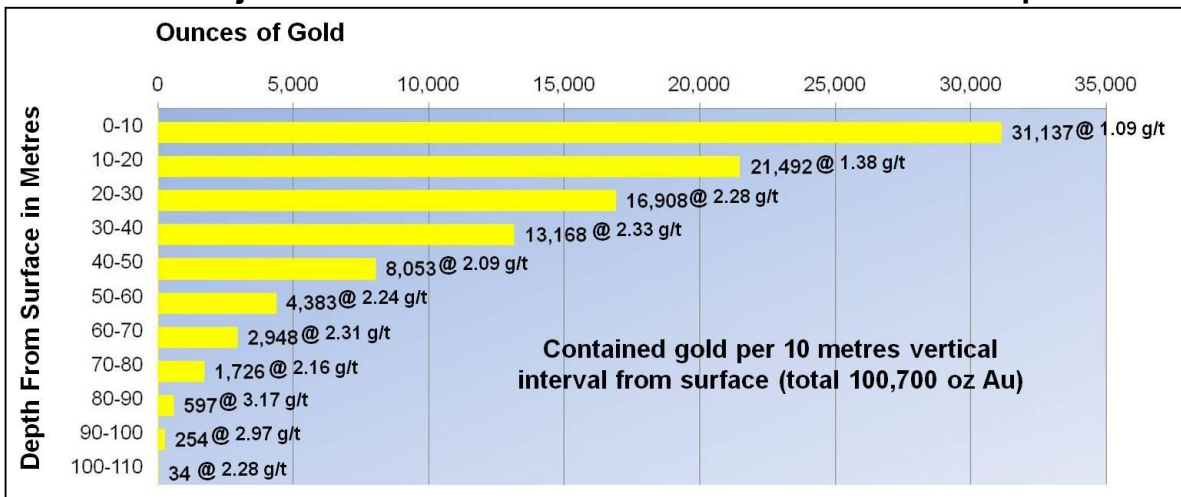


Tuckanarra has significant development advantages including shallow mineralisation, excellent metallurgical recoveries, high grades in part and proximity to third party gold mills (Figure 1).

Depth vs Cumulative resource ounces Au and grade at Tuckanarra (to 60 metres):

- ~ 0-20 metres 52,629 ounces @ 1.19 g/t
- ~ 0-40 metres 82,707 ounces @ 1.44 g/t
- ~ 0-60 metres 95,143 ounces @ 1.51 g/t

Tuckanarra Project: Indicated and Inferred Resource Ounces vs Depth



2.0 Musgrave Project, WA

POZ 100%

The Musgrave Project lies in the relatively unexplored Musgrave Province of Western Australia. Anglo American has recently informed POZ that they will be withdrawing from the Farm-In agreement with POZ over Musgrave exploration licence E69/2864.

This withdrawal of Anglo now provides POZ with the opportunity to market their total landholding in the Musgrave region. This consists of two 100% POZ held tenements, E69/2864 (granted) and E69/3191 (application) for a total area of 785.7km².

2.1 Musgrave Titano-Magnetite Rock (TMR) Project

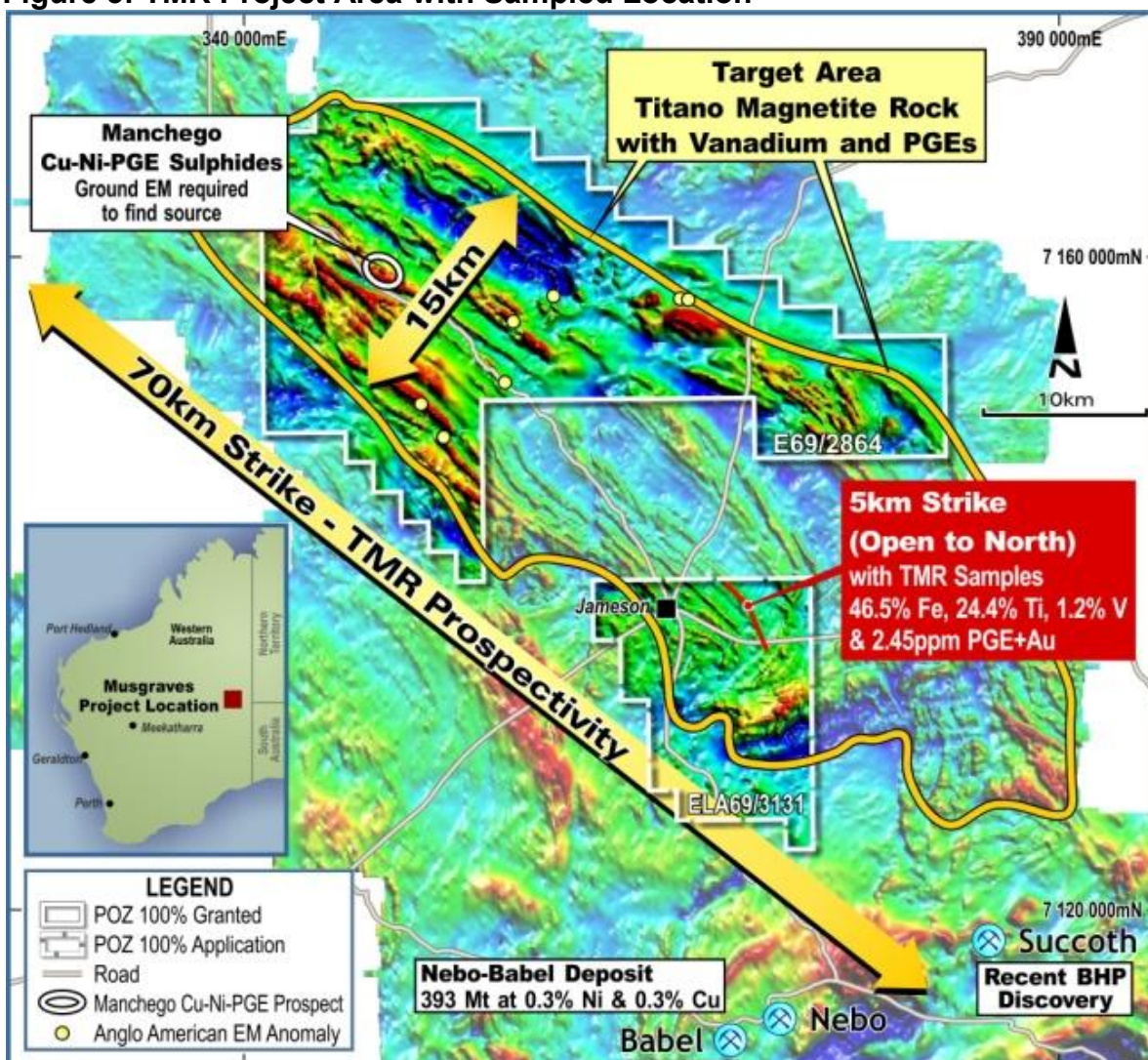
POZ 100%

The 100% POZ held Musgrave TMR Project lies is hosted by the massive Giles Complex (~1,075 million years), one of the largest layered mafic-ultramafic complexes in the world.

The POZ tenements are highly prospective for large tonnages of an unusual type of layered titaniferous-magnetite rock (TMR) which previous sampling has confirmed contains iron, titanium, vanadium, gold, platinum, palladium and rhodium.

The setting is analagous to that of the Merensky Reef of the Bushveldt Igneous Complex in South Africa which hosts major PGE deposits².

Figure 3: TMR Project Area with Sampled Location



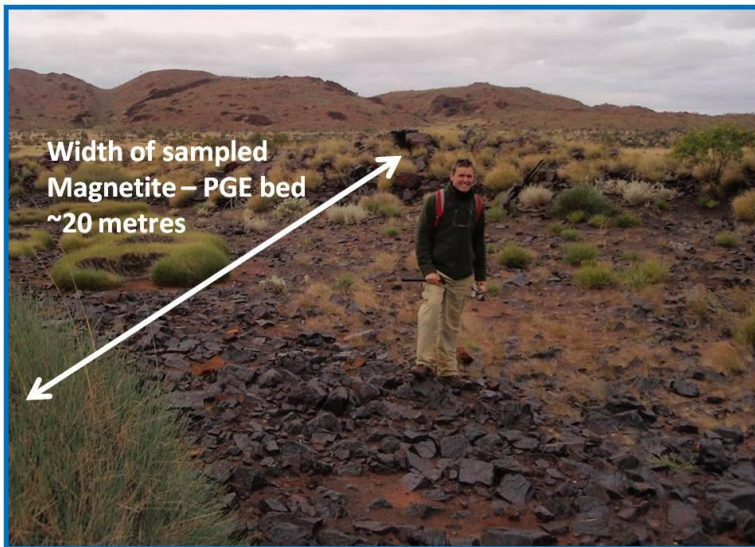
The TMR outcrops in linear reefs over a number of horizons within the tenement area² and has been sampled by POZ at one of these locations where the reef thickens (Figure 3 and photo below). Four rock chip samples were taken over a width of 20 metres (true width ~10 metres). The results from this sampling are shown in Table 1 (POZ ASX Report 29 July 2011)³.

Table 1: POZ sampled TMR

Sample No.	Fe	TiO ₂	V ₂ O ₅	Pt	Pd	Rh	Ir	Au	PGE + Au
	%	%	%	ppb	ppb	ppb	ppb	ppb	g/t
MR01	46.5	23.9	1.25	2075	780	41	16	58	2.97
MR02	46.9	22.9	1.21	2443	863	38	16	76	3.44
MR03	47.2	23.7	1.29	960	306	70	18	21	1.38
MR05	45.2	27.1	1.11	1280	492	27	12	186	2.00
Average	46.5	24.4	1.22	1690	610	44	16	85	2.45

Fe, TiO₂ and V₂O₅ by fused disk preparation for XRF analysis - analysed by XRF Spectrometry. Pt, Pd, Au, Rh, Ir by 25g lead collection fire assay in new pots - analysed by Inductively Coupled Plasma Mass Spectrometry. Other platinum group elements (Os and Ru) not detected.

Phosphate Australia Chairman Jim Richards at the TMR Outcrop



The TMR Project presents the potential for multiple horizons of TMR over a strike length of 70Km, an area mostly held by POZ (Figure 3). A number of target minerals and exploration models can be followed-up:

1. DSO magnetite iron ore blast furnace feed with only crushing required. Rock chip samples averaging 45% Fe.
2. South African Bushveld type PGE reef targets with gold credits. Rock chip samples averaging 2.46ppm PGE +Au.
3. The high vanadium grades (1.22% V₂O₅) from rock chip samples presents a very prospective bulk tonnage vanadium target.

2.2 TMR Project Lookahead

The following is now required to move forward with the TMR Project:

- Ground checking and rock sampling along other parallel, linear magnetic features in the permits.
- Delineation and drilling of the POZ TMR. This would improve the understanding the layer and potentially discover areas of thicker TMR mineralisation.
- Investigate potential along-strike mineralisation extending into E69/2864
- Metallurgical characterisation of the TMR for suitability as DSO.

The Project area is on Aboriginal Freehold Land. An access agreement is already in place for E69/2864 and an access agreement is required for E69/3191. The TMR is a large project both in terms of area and potential and POZ is currently seeking an appropriate partner to assist in Project funding.

2.3 Manchego Prospect Drilling, Musgrave. Former Farm-In with Anglo American (now POZ 100%)

The Manchego Prospect was discovered in 2013 by drilling an airborne electro-magnetic geophysical (AEM) anomaly, identified by Anglo American.

During the quarter a Phase 2 drilling program was completed at Manchego. The Phase 2 drilling consisted of six reverse circulation holes and one further hole from the Phase 1 program which was re-entered and extended from 90 metres to 180 metres. 1,012 metres were drilled in total during Phase 2.

Geological logging of all samples was carried out on-site by Anglo American geologists. Narrow zones of massive sulphide, usually surrounded by thicker zones of net-textured and disseminated sulphide were logged in all holes drilled during Phase 2 (with the exception of MRC 055 which missed the conductor). All drilled samples were assayed at ALS Chemex in Perth.

For full drilling results reporting; refer to the POZ ASX Releases dated 28 October 2013³ and 3 January 2014 (JORC 2012).

Phase 2 Drilling Highlights:

MRC 056 with 7 metres at 0.25% Cu from 150 metres.

MRC 054 with 26 metres at 0.16% Cu from 102 metres.

MRC 052 with 3 metres at 0.46ppm Pt+Pd+Au and 725 ppm Ni, which includes 1 metre at 0.20% Cu, 0.14% Ni and 1.0 ppm Pt+Pd+Au from 105 metres.

The widespread nature of the copper mineralisation at Manchego is encouraging and now extends over an area approximately 350 x 400 metres and remains open in all directions. The occurrence in MRC 52 of PGM+Au grades of up to 1.0 ppm is also a positive as it confirms the presence of PGM's in the mineralising system.

Since the withdrawal of Anglo American from the Farm-In Agreement over E69/2864, POZ now owns the Manchego Project 100%, and is currently seeking a partner to progress the Project.

Figure 3: Manchego Drilling Section 1

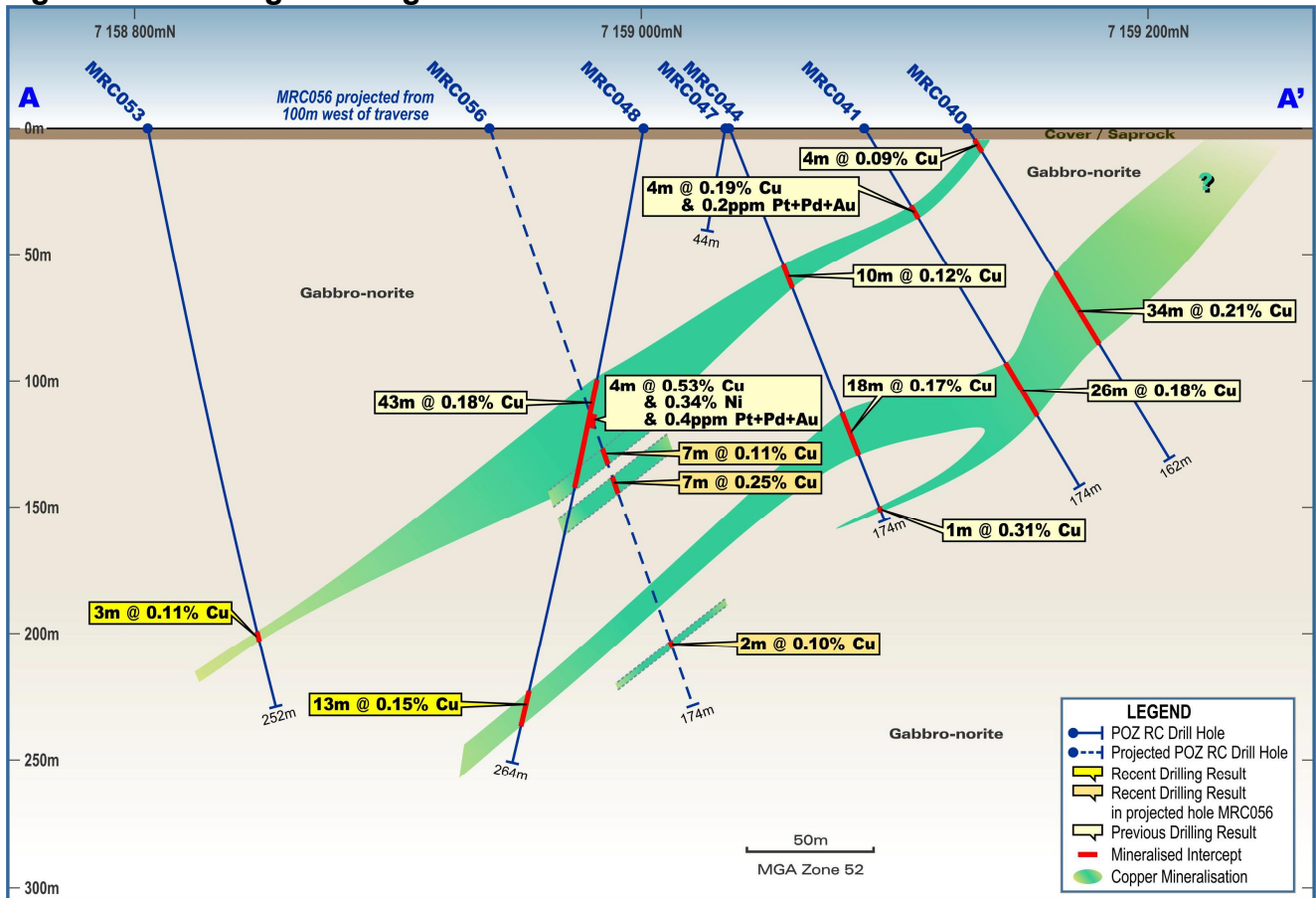
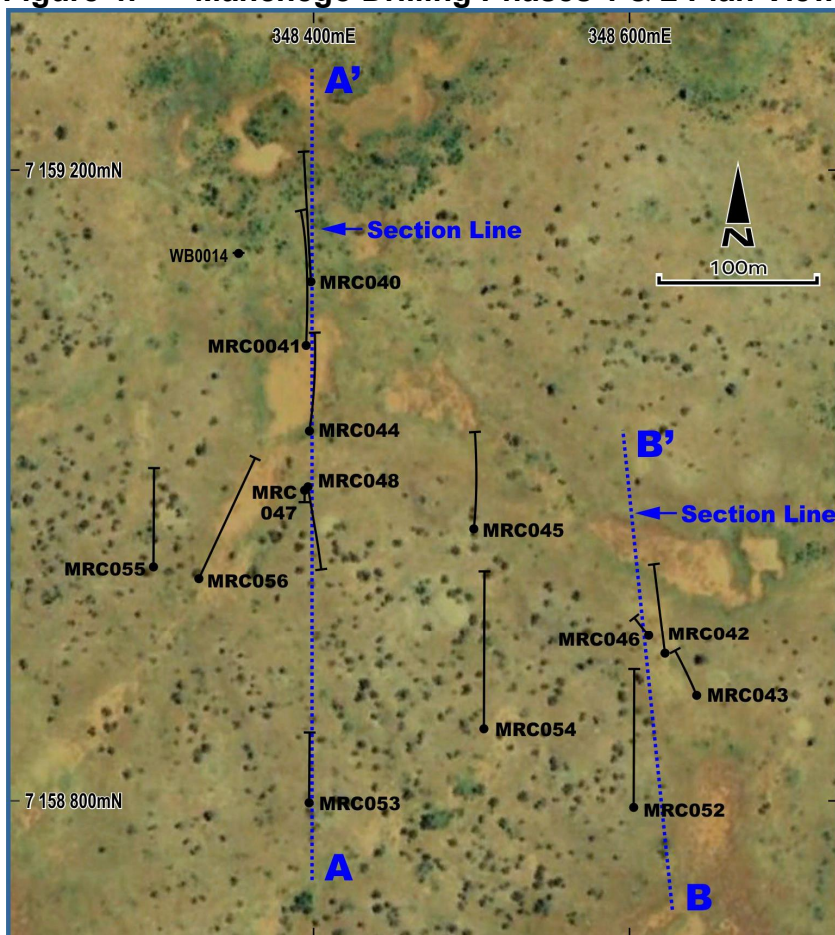


Figure 4: Manchego Drilling Phases 1 & 2 Plan View over satellite image



3.0 Highland Plains Phosphate Project (Northern Territory) Update

The Highland Plains Phosphate Project has a JORC (2004) compliant Inferred Resource of 53 million tonnes at 16% P₂O₅, (POZ ASX release dated 31 March 2009³). 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 west of the Century zinc mine which utilises a slurry pipeline to the coast and is currently preparing for the end of open pit production in mid 2015.

The Company is seeking funding for the Highland Plains Project and is currently actively promoting the project to Chinese interests.

4.0 Nicholson Iron and Manganese Project, (Northern Territory) Update

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 have been promoting the Project to parties interested in iron ore supply and are currently seeking partners to assist in the development of this Project.

5.0 R&D Tax Refund

During the quarter, the Company received an Research and Development Tax Incentive Refund from the ATO totalling \$303,355. These funds (less 15% claim expenses) were applied to general working capital.

6.0 Summary and Outlook

At the 100% owned Tuckanarra Gold Project, the lodging of the Applications for a Mining Lease and a Mining Proposal are a major step forward. The Company is currently liaising with the DME to expedite the grant of these permits.

The withdrawal of Anglo American from the Musgrave Farm-In can be seen as an opportunity to consolidate the two POZ Musgrave tenements into a single Project. The prospectivity of this TMR Project area for iron, vanadium and PGE's is high and POZ is currently seeking a partner to assist in pursuing this large and exciting opportunity.

Corporate activity in the Musgrave region has recently led to a change of ownership of the giant Nebo-Babel Ni-Cu-PGE Project which has added further interest to the area.

The Company is continuing to pursue a strategic partner for the Highland Plains Phosphate Project.

The Company has a cash balance of \$1.898 million (31st March 2013).

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

² Howard, HM et al, The Geology of the West Musgrave Province and the Bentley Supergroup. GSWA Record 2011/4 p63-5.

³ 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 previously reported Exploration Results for the Phase 2 Musgrave Project, Manchego drilling 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 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.

The information in this report that relates to previously reported Exploration Results for the Musgrave TMR Project, 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 (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.

The previously reported resource estimations for the Tuckanarra Gold Project Area deposits, including the Anchor, Bollard, Cable, Drogue, Maybelle, Maybelle North and Miners Dream deposits, were 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.

The Information in this report that relates to Mineral Resources 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.

Appendix A - Interests In Mining Tenements

Table 1: Western Australia

Lease	Mineral Field	Location	Status	Held at end of quarter %	Acquired during the quarter %	Disposed of during the quarter %	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
E20/782	WA Aus	Tuckanarra	Granted	100%	0%	n/a	
E20/783	WA Aus	Tuckanarra	Granted	100%	0%	n/a	
E51/1614	WA Aus	Weld Range	Application	100%	100%	n/a	
E69/2820	WA Aus	Wiluna	Granted	100%	0%	n/a	Alloy Resources Limited have a Joint Venture Option Agreement to acquire 80%
E69/2864	WA Aus	Musgraves	Granted	100%	0%	n/a	Anglo American have recently withdrawn from JV
E69/3154	WA Aus	Musgraves	Application	0%	0%	100%	Applications in lost ballot
E69/3155	WA Aus	Musgraves	Application	0%	0%	100%	Applications in lost ballot
E69/3191	WA Aus	Musgraves	Application	100%	0%	n/a	
P20/2180	WA Aus	Tuckanarra	Granted	100%	0%	n/a	
P20/2181	WA Aus	Tuckanarra	Granted	100%	0%	n/a	
P20/2182	WA Aus	Tuckanarra	Granted	100%	0%	n/a	
P20/2183	WA Aus	Tuckanarra	Granted	100%	0%	n/a	
P20/2184	WA Aus	Tuckanarra	Granted	100%	0%	n/a	
P20/2185	WA Aus	Tuckanarra	Granted	100%	0%	n/a	

NB: Anglo American have recently withdrawn from their option to Farm-In to 70% of E69/2864.

Table 2: Northern Territory

Lease	Mineral Field	Location	Status	Held at end of quarter %	Acquired during the quarter %	Disposed of during the quarter %	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
EL25600	NT Aus	Alroy	Granted	100%	0%	0%	
EL26646	NT Aus	Murphy	Application	100%	0%	0%	
EL25068	NT Aus	Highland Plains	Granted	100%	0%	0%	JIMPEC have a Joint Venture Option Agreement to acquire 80% of the iron ore and manganese rights
EL28152	NT Aus	Nicholson	Granted	100%	0%	0%	
EL28153	NT Aus	Nicholson	Granted	100%	0%	0%	
EL28157	NT Aus	Nicholson	Granted	100%	0%	0%	
EL26604	NT Aus	Nicholson	Application	100%	0%	0%	
EL26645	NT Aus	Nicholson	Application	100%	0%	0%	
EL26648	NT Aus	Nicholson	Application	100%	0%	0%	
EL26649	NT Aus	Nicholson	Application	100%	0%	0%	
EL26650	NT Aus	Nicholson	Application	100%	0%	0%	
EL27854	NT Aus	Manganese	Application	100%	0%	0%	
EL27855	NT Aus	Manganese	Application	100%	0%	0%	
EL27856	NT Aus	Manganese	Application	100%	0%	0%	
EL28220	NT Aus	Nicholson	Application	100%	0%	0%	