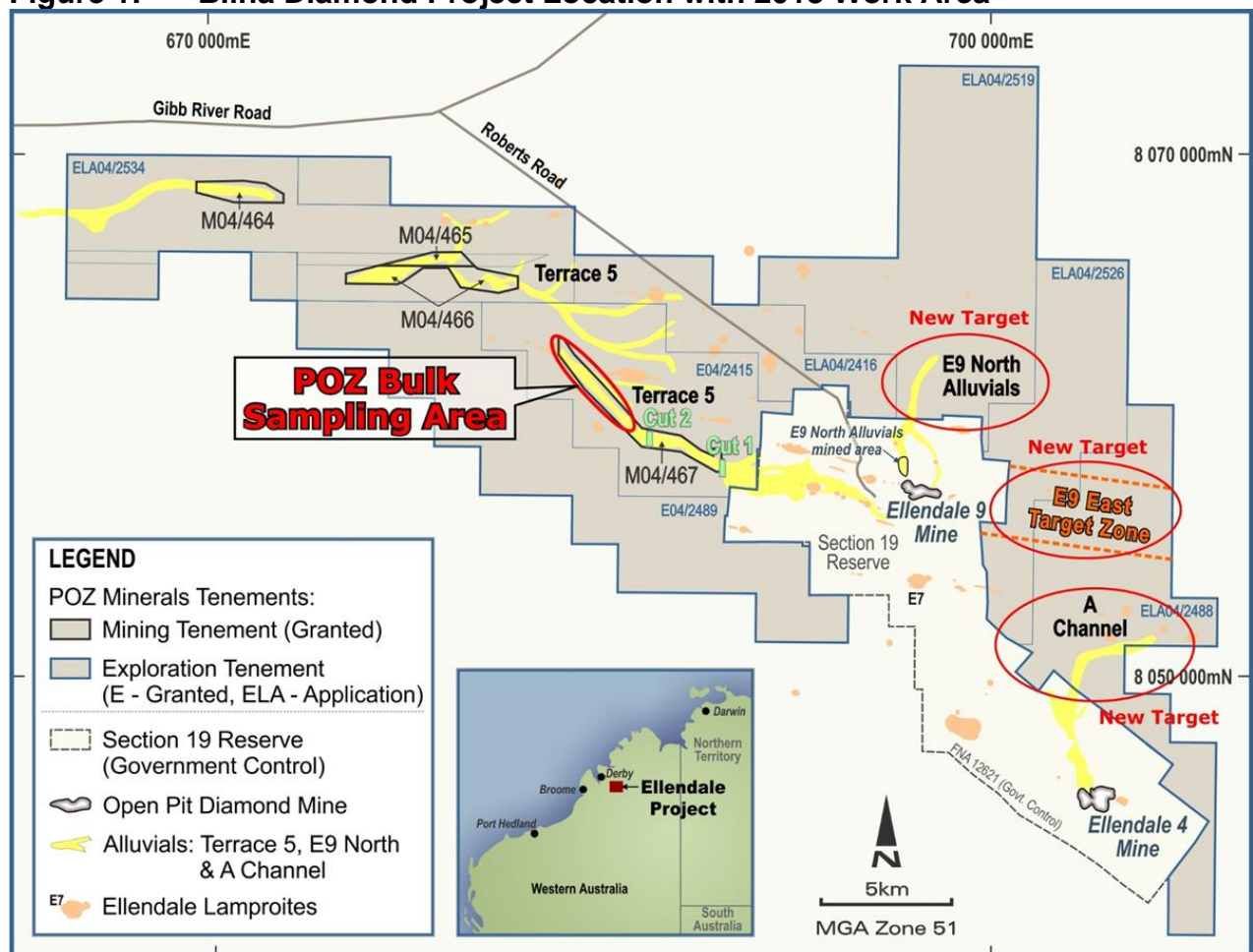


## Trenching Operations Commence - Blina Diamond Project

### HIGHLIGHTS

- Equipment and personnel have been mobilized today to commence trench sampling operations at the Blina Diamond Project on Tuesday 24 July
- These operations will consist of digging a series of trenches (costeans) using a Volvo 290 excavator and geologically assessing those trenches
- This program aims to test and delineate diamond bearing target channels and trap sites which have been generated from the Company's Ground Penetrating Radar surveys and in-house analysis of historic exploration data
- Road access and clearing works within Mining Lease M04/467 and surrounding leases has been completed
- Company to attend Diggers and Dealers Conference in Kalgoorlie on 6 to 8 August

Figure 1: Blina Diamond Project Location with 2018 Work Area



## 1.0 Introduction: Blina Diamond Project, WA

POZ 100%

POZ Minerals Limited ('POZ' or the 'Company') Blina Diamond Project in the Ellendale Diamond Province of WA's Kimberley Region is 100% owned by POZ. The project consists of four granted mining leases and various exploration leases within an area of 436 km<sup>2</sup>, situated 110km east of Derby.

A diamond bearing alluvial palaeochannel named Terrace 5 extends over some 40km of the POZ project area, with channel widths of 200m to 500m. The largest diamond recovered to date from Terrace 5 weighed 8.43 carats<sup>1</sup> (from Pit 82, Figure 1), with stones larger than two carats common, a significant number of the stones are Fancy Yellows.

## 2.0 Trenching Operations Commence

The Company is pleased to announce that crews and equipment have mobilised to the field and that Phase 1 trenching operations will commence on Tuesday 24 July. These operations will consist of digging a series of trenches (costeans) using a Volvo 290 excavator (or equivalent).

The aim of this program is to test and delineate the geology of diamond bearing target channels and trap sites which have been generated by POZ's Ground Penetrating Radar surveys, and in-house analysis of historic exploration data.

This will enable the Company to prioritise the best targets for bulk sampling based upon the following geological criteria:

- The best looking trap sites; based upon the potential for the trap site to have entrained diamonds over an extended period i.e. waterfalls, potholes, boulder fields, uneven bedrock etc.
- The most prospective gravels; based upon thickness, clast size, sorting etc.
- The most shallow overburden; for a lower strip ratio
- Size and extent of gravel target, i.e. an estimate of the volume of gravels present, larger target areas present a greater potential economic prize

The results from these trenching operations will be reported in due course. This sampling work will not recover diamonds, but it will enable the Company to target those areas which are the most prospective for future testing through the processing plant, based upon the geological criteria above.

## 3.0 Bulk sampling operations

Once the most prospective gravel bearing areas have been defined by the trenching operations, bulk samples of between 200 to 500 cubic metres can be removed and tested for diamonds. POZ has purchased and is currently reconfiguring a suitable processing plant in order to recover diamonds from these samples and determine the grade of the gravels.

#### 4.0 Processing Plant Update

- The feed bin chute (to feed into trommel) has been fabricated and is ready for transport to site.
- The processing plant sizing and de-watering screens sit on the outflow end of the trommel, they will sort and clean the correct size fraction ready for the Sortex machines which will separate the diamonds. The fabrication of these screens is now complete.
- The processing plant trommel base unit is at the Ellendale minesite and will be deployed to the nearby POZ Blina site once permitting and logistics allow. The unit has been assessed in the field and measurements taken to ensure the equipment will be compatible with the equipment being fabricated in Perth.
- Electrical work on the trommel unit will be completed once the equipment is deployed to Blina and attached to the base unit.
- It is a requirement of Department of Mines, Industry Regulation and Safety (DMIRS) that the POZ Mining Proposal is granted prior to the deployment of the plant to site, this process is well underway (see 7.0 below).

#### 5.0 Sortex Diamond Recovery Machines Update

- POZ owns four Sortex (diamond recovery) machines which were purchased from the Ellendale Diamond Mine and are now in Perth. Two of these machines are currently being fitted to into a sea container which will provide ease of transport, security and weather protection for the diamond recovery system. The framework for the machines is currently being built.
- The remaining two Sortex machines are in storage and can be deployed should the company need to expand plant capacity.

#### 6.0 Road and Track Clearing

A road access and clearing works program within Mining Lease M04/467 and surrounding leases was completed in June. This now allows vehicular access for field operations and includes an additional site access road (for a total of three).



## 7.0 Permitting – Mining Proposal

The amended POZ Mining Proposal for the Blina Project, was lodged with the Department of Mines, Industry Regulation and Safety (DMIRS) on Wednesday 11 July. This Mining Proposal represents a considerable amount of work and consultants studies undertaken by POZ over the last few months and although this process has taken longer than anticipated, once granted the Mining Proposal will allow the immediate transition from exploration sampling to full mining (providing economic gravels have been recovered) with no regulatory, environmental or Native Title impediment.

In the meantime, the Company will continue to conduct our field operations, including trenching, under currently granted Program of Works notices (POW's). The deployment of the processing plant requires the grant of this Mining Proposal by DMIRS and POZ continues to liaise closely with the department to ensure this Mining Proposal is granted as soon as possible.

## 8.0 Corporate Activity

Mr Richards presented the Blina Diamond Project at the Brisbane Mines and Money conference on Wednesday 20 June and fielded questions from a diverse and engaged group of delegates and shareholders at the Company booth on 20 and 21 June.

Mr Richards will be attending the Diggers and Dealers Conference in Kalgoorlie from 6 to 8 August.

Jim Richards  
Executive Chairman  
POZ Minerals Limited

Enquiries To: Mr Jim Richards +61 8 9422 9555

### References:

<sup>1</sup>Further 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](#)

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

Maiden JORC Exploration Target; POZ ASX Release dated 21 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 current and 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.*

*<sup>A</sup>The Company is not aware of any new information or data that materially affects the information included in the previously reported exploration and production data (JORC 2004) and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement/year have not materially changed*

**No New Information**

*To the extent that the announcement contains references to prior technical information, exploration results and mineral resources; these have been cross referenced to previous market announcements made by the Company. These had been disclosed to JORC 2012 standard. Unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements that assumptions and technical parameters underpinning the relevant market announcement continue to apply and have not materially changed.*