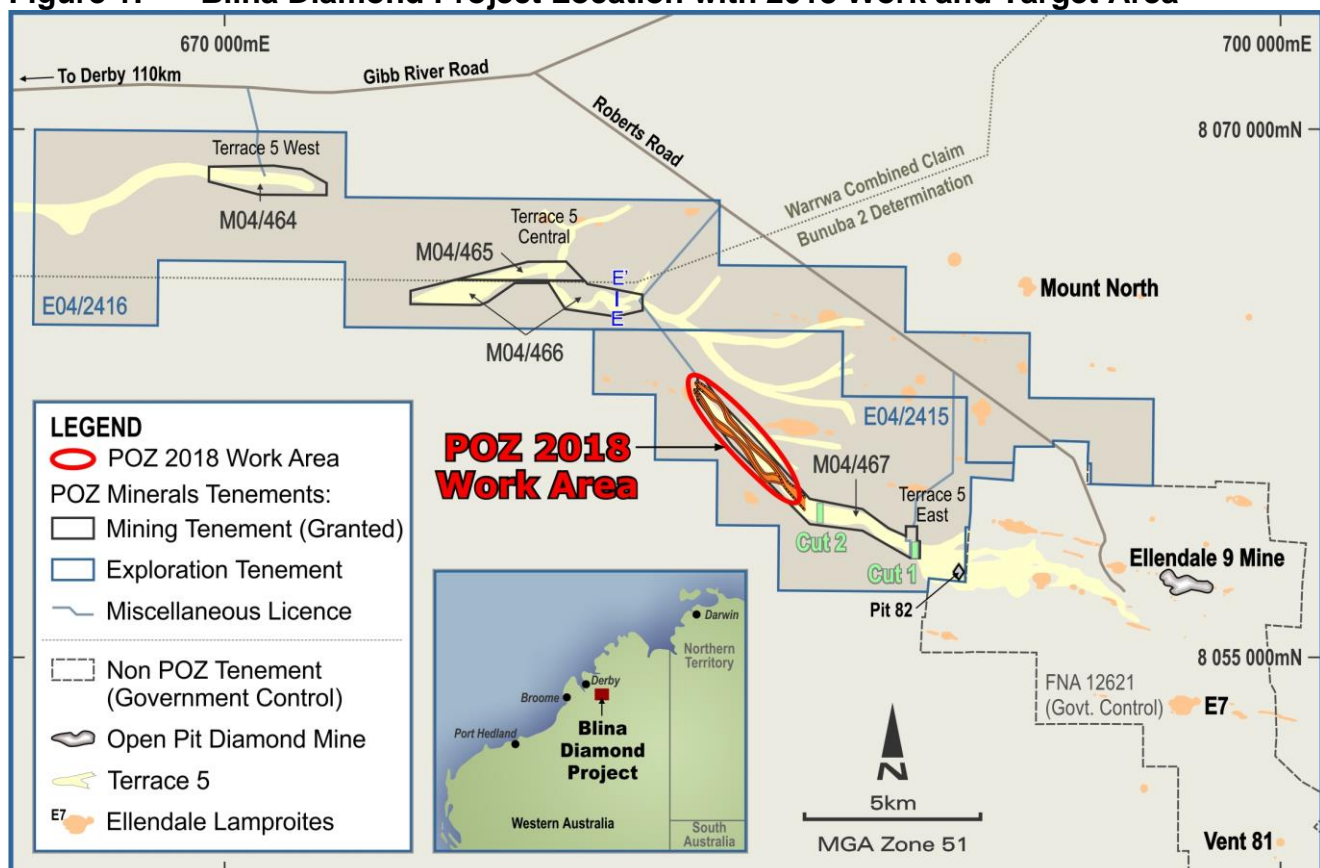


Nine 'High Grade' Diamond Targets Identified at Blina

HIGHLIGHTS

- POZ has identified **nine 'High Grade' diamond targets** which the Company believes are the most prospective targets identified to date within Terrace 5 of the Company's wholly owned Blina Diamond Project, WA.
- These new targets sit within two discrete palaeochannels of Terrace 5, named Channel 1 and Channel 2. These channels were defined using recent POZ GPR surveys and previous data. Reviews of historic sampling indicates **Channel 1 is strongly diamondiferous** and Channel 2 is untested.
- Channel 1 contains samples with grades up **10.5 carats per hundred cubic metres**.
- Target depths are shallow ranging from **2 to 8 metres**.
- The nine targets will be tested during the dry season from April to December 2018.

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 recently 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 (or 'T5') extends over some 40km strike of the POZ project area, with channel widths from 200m to 500m.

The overall quality of diamonds recovered from Terrace 5 is excellent, and includes an especially desirable population of Fancy Yellow diamonds. A recent independent appraisal from a 1,497.57 carat parcel of diamonds previously mined from Terrace 5 indicates a value of US\$389 per carat (A\$505 per carat), which could be considered high by world standards. (POZ [ASX Release](#) dated 6 November 2017⁴).

Combining POZ surveys using the latest Ground Penetrating Radar (GPR) technology with previous data, POZ has defined **nine 'High Grade' targets** which the Company believes are the most prospective targets identified to date within Terrace 5. POZ will commence testing these targets in mid-2018.

2.0 'High Grade' Targets 1 to 9

By combining GPR and historic pitting and trenching data, POZ has identified two new discrete channels within Terrace 5. These have been named Channel 1 and Channel 2. Previous testing on Channel 1 indicates it is strongly diamondiferous, Channel 2 is untested.

Channels 1 and 2 are deeper, and presumably older, than the other defined Terrace 5 gravels in the area. The historic bulk sampling which took place over the newly defined Channel 1 gave some of the best results within the Terrace 5 system, with grades up 10.5 carats per hundred cubic metres (cphm³), see Table 1.

Table 1: Bulk Sample Results from Channel 1

Sample	Volume (m ³)	Diamond grade (carats per hundred m ³)	Average diamond size (carats)	Largest Stone (carats)
BLBS067	181	10.5	0.4	1.3
BLBS069	72	6.1	0.6	1.9
BS1	122	4.0	0.3	1.6
BS2	69	7.7	0.4	1.0

Grades converted from tonnes to cubic metres using SG of 1.74 (Cuts 1 and 2 average SG)

Within Channels 1 and 2, POZ has identified nine new 'High Grade' targets, these are the areas the Company believes are the most prospective within the entire Terrace 5 system. These nine 'High Grade' targets have minimal overburden (2 to 8 metres), lie within proven diamondiferous channels and show up on the GPR as excellent potential alluvial trap sites.

Within these nine target areas, POZ is exploring for some of the 'Missing Diamonds' derived from the erosion of the Ellendale E9 pipe, as defined in the POZ Exploration Target [ASX Release](#) dated 21 Nov 2017.

This JORC (2012) Exploration Target is from **700,000 to 1,000,000 cubic metres** at a grade range of **2.3 to 4.1 carats per cubic metre**, for contained diamonds of between **1.6 to 4.1 million carats**. *The potential quantity and grade of this Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

Grades of 4.1 carats per cubic metre could be considered bonanza and represent an extremely attractive exploration target, especially given the excellent quality and high valuation on previously recovered Terrace 5 diamonds⁴.

The 'High Grade Targets' in Figure 2 have been defined using GPR data and previous exploration data and cover a total area of 28 hectares. Cross sections are shown in Figures 3 to 5.

Figure 2: High Grade Targets 1-9

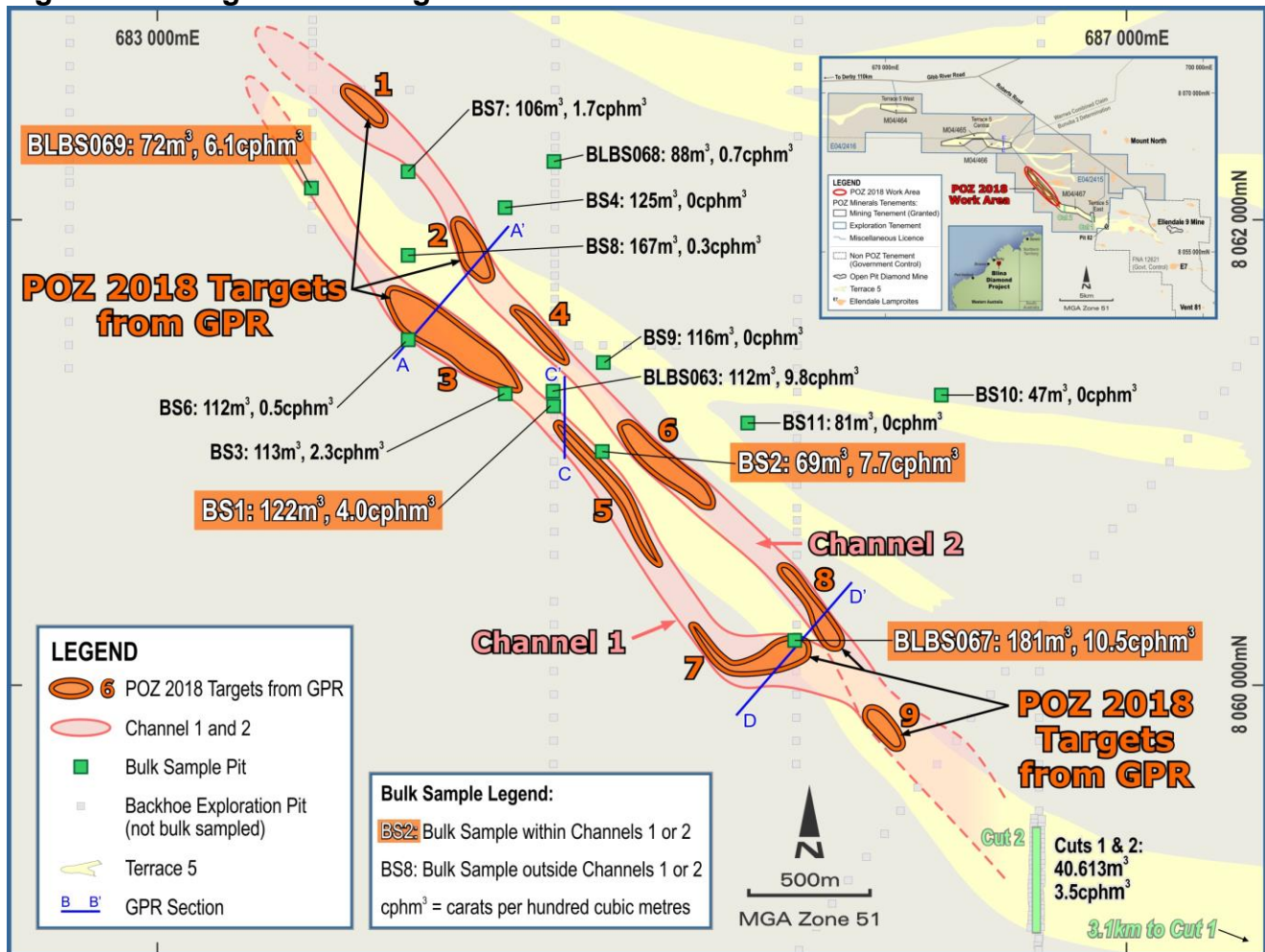


Figure 3: High Grade Targets 2 & 3

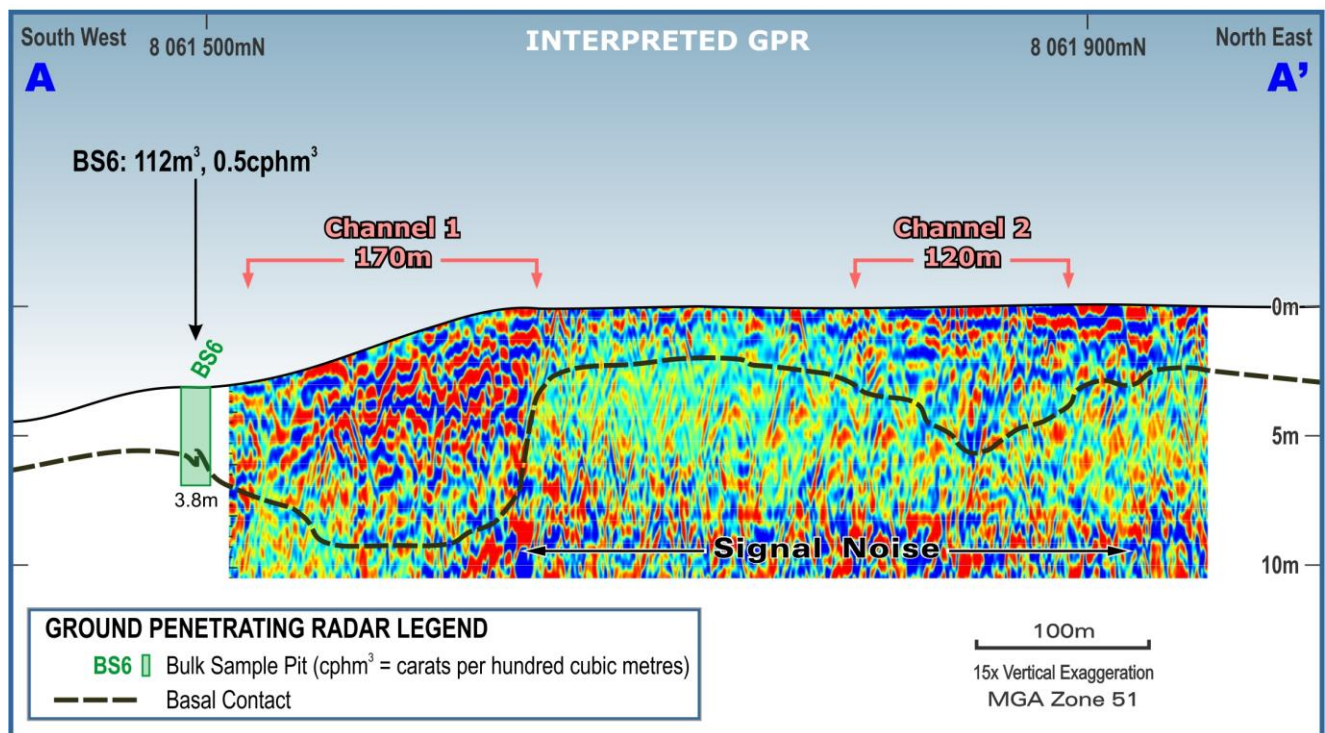
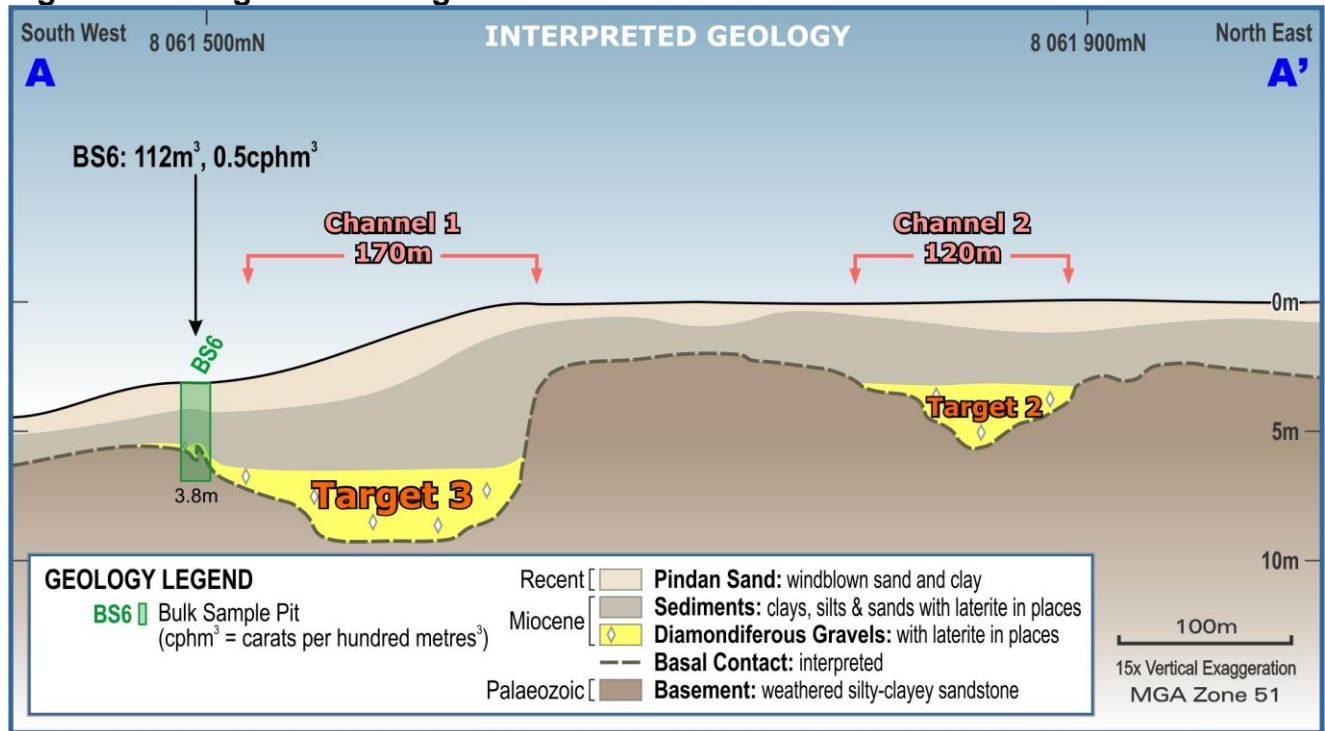


Figure 4: High Grade Target 5

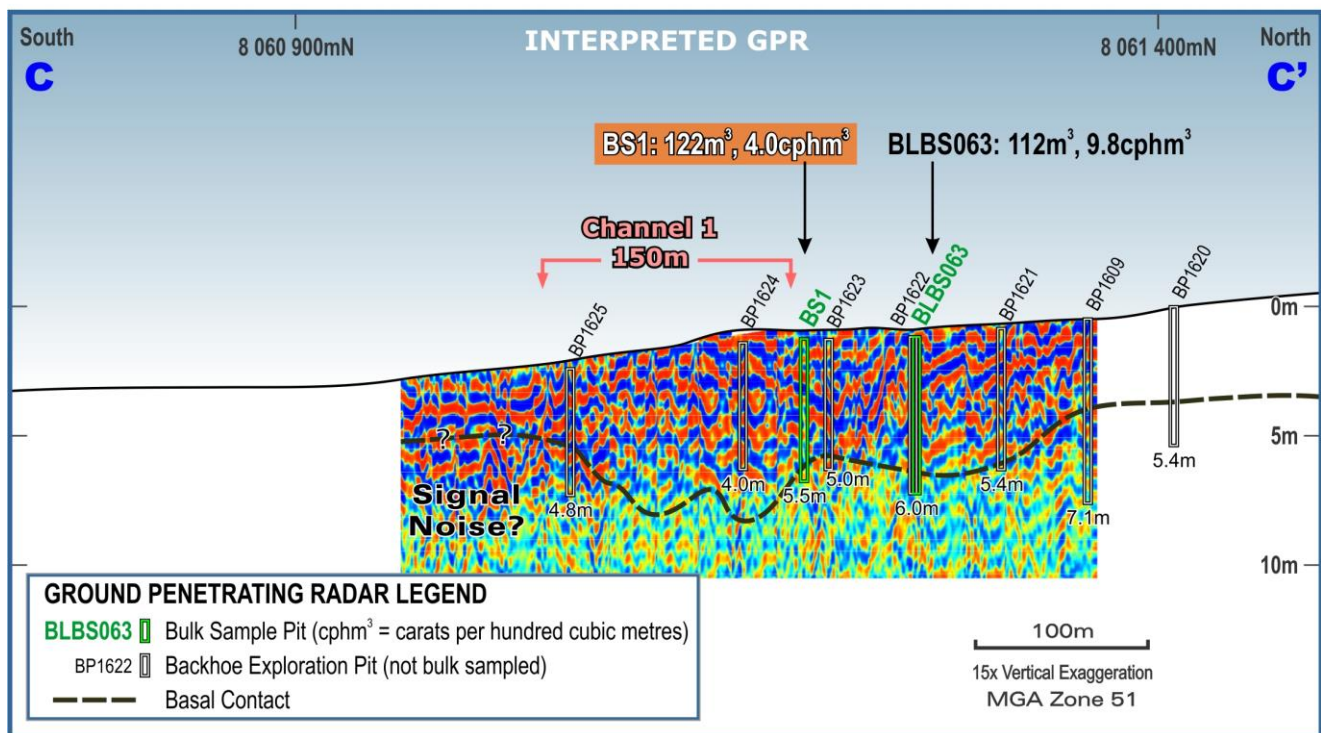
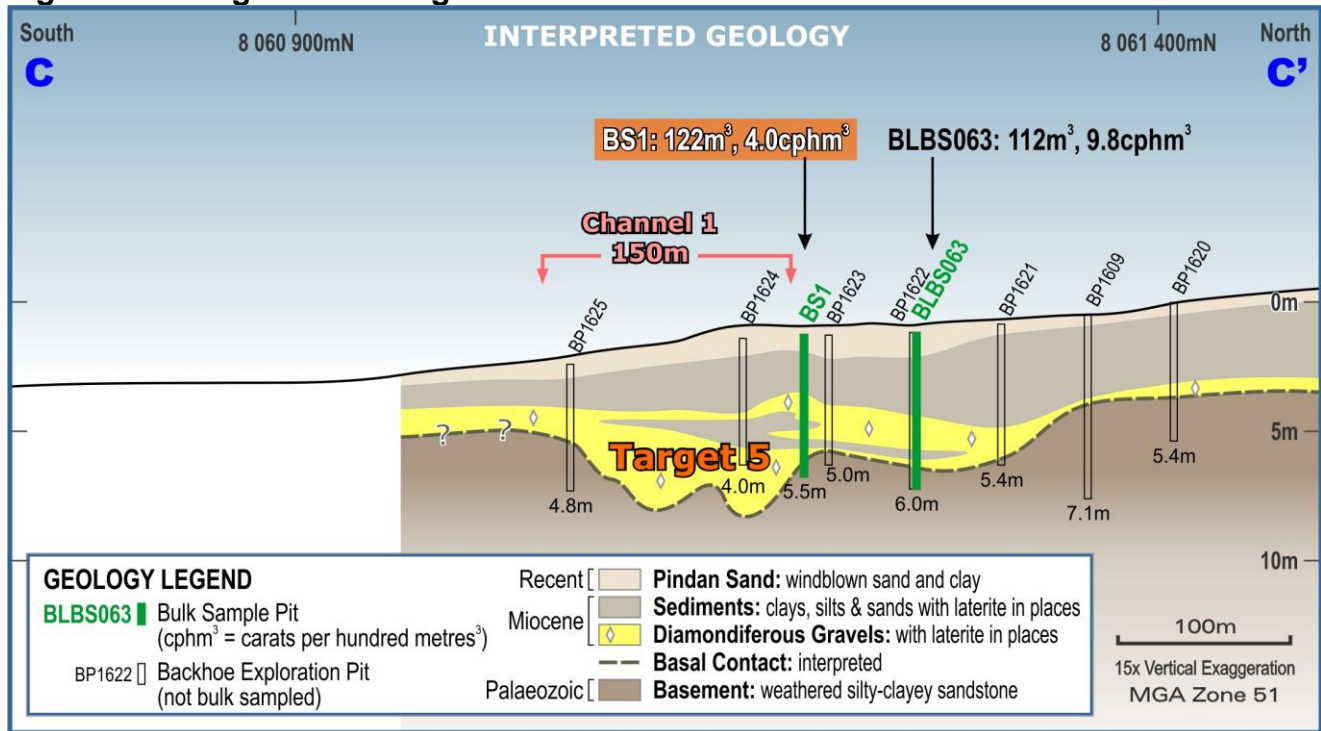
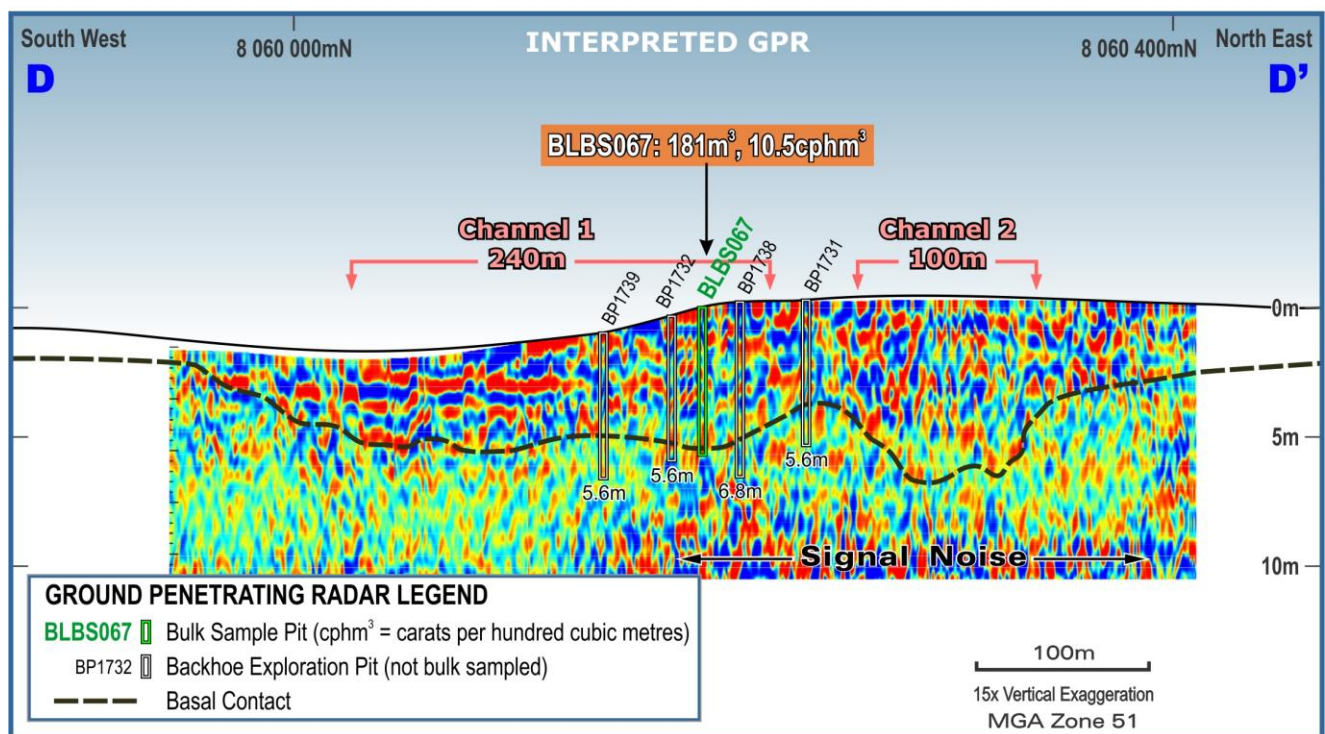
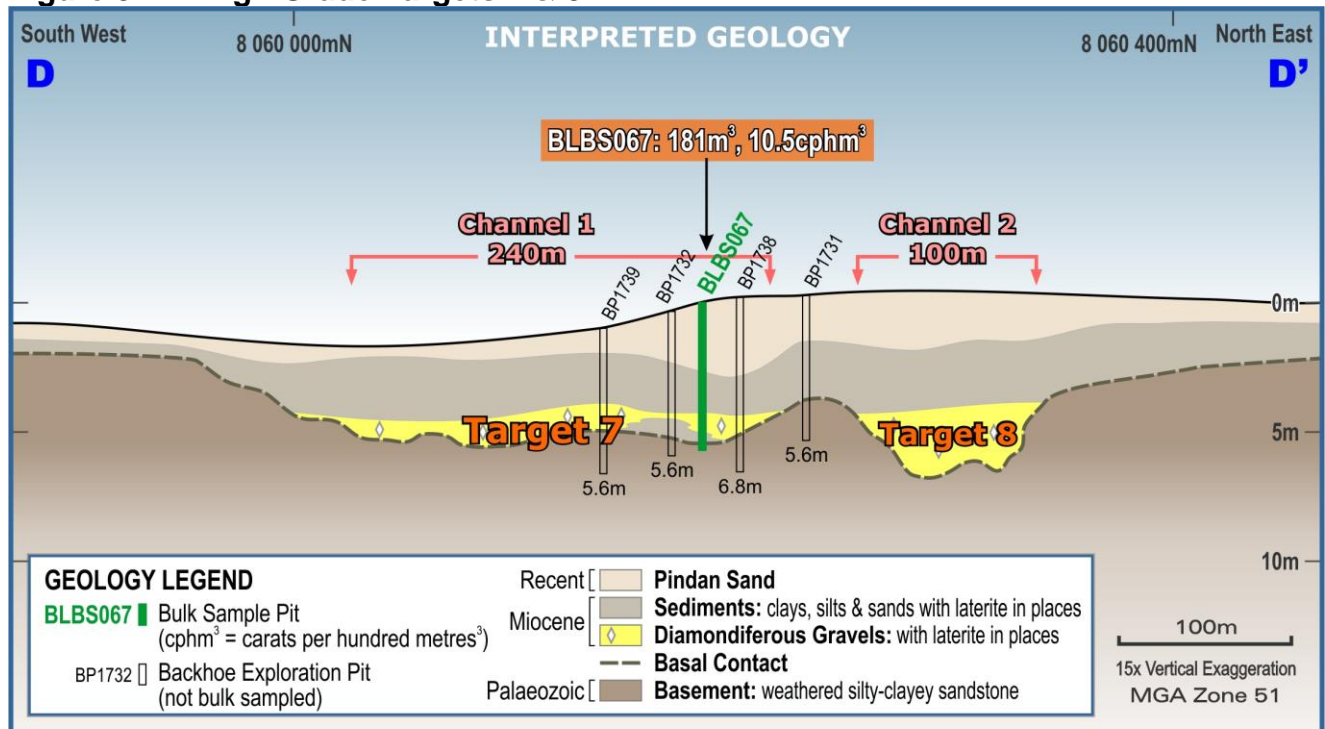


Figure 5: High Grade Targets 7 & 8



3.0 High Grade Alluvial Diamond Trap Sites: Examples

The bonanza grades and returns that can be found within high grade alluvial diamond trap sites make these systems a highly desirable target for alluvial diamond miners. Two examples of the type of fluvial diamond bearing system POZ is looking for are given below.

3.1 Cuango River, Angola

The Cuango River in Angola was the scene of a large diamond rush in the early 1990s. This photo (Figure 6) illustrates what POZ is seeking at Terrace 5: a high energy, deep and bonanza grade series of channel trap sites which in this case appear to be potholes (central area of photo). This central channel is surrounded by a larger diamondiferous terrace of (presumably) lower energy/lower grade gravels (sides of photo).

Although grade details are not available from this area, the depth of the workings in the central part of the photo do indicate a deeper channel which was presumably worth the considerable labor of hand-excavation.

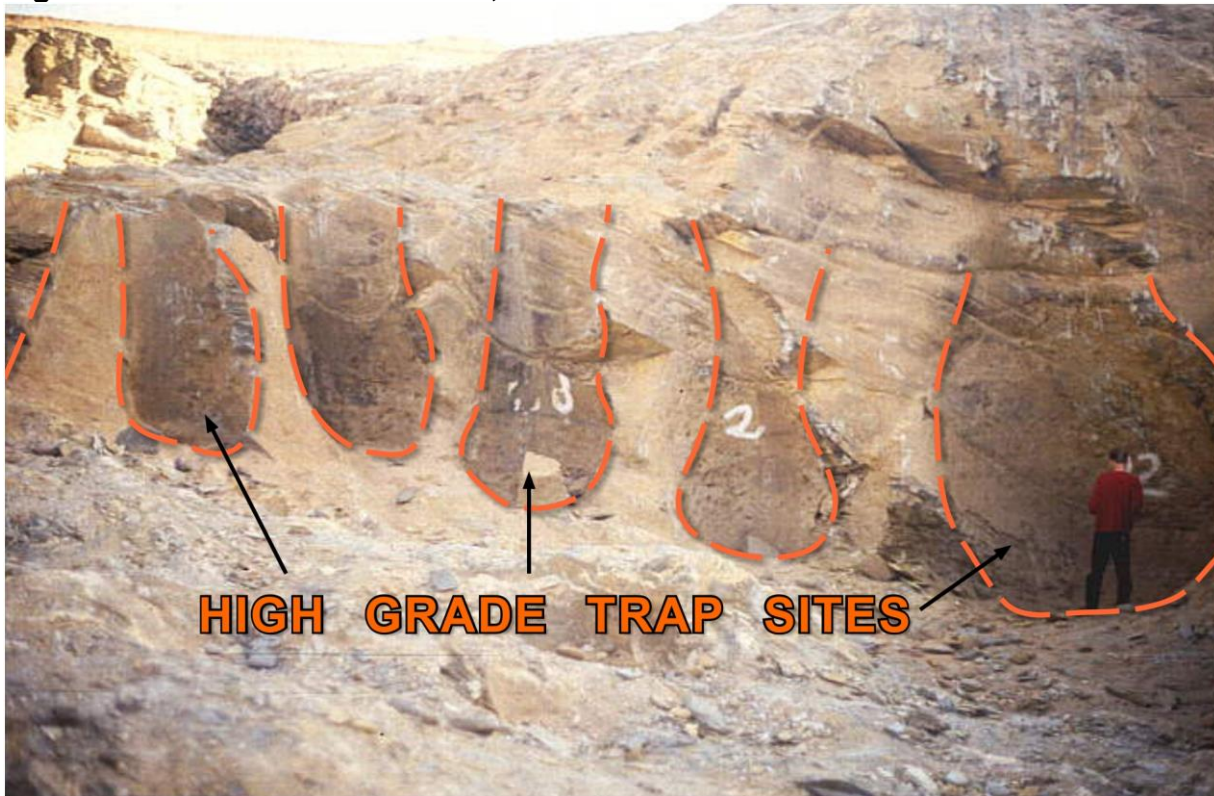
Figure 6: Cuango River Diamond Rush, Angola, 1992



3.2 Auchas Diamond Mine, Orange River, Namibia

The potholes shown in Figure 7 are at the Auchas Diamond Mine on the Orange River in Namibia. They indicate the type of high grade concentrating trap site which POZ is targeting at the Blina Project Terrace 5 alluvials.

Figure 7: Auchas Diamond Mine, Namibia. Potholes



4.0 Blina Project Summary

The Company is excited by the potential of Targets 1 to 9 within the older and deeper Channels 1 and 2 at Terrace 5. These are specific targets derived from incorporating bulk sampling data, pit logs, geophysics, and the latest technology in GPR geophysical surveying conducted by POZ.

With mining leases now granted, the Company looks forward to testing these targets during the northern dry season from April to December 2018.

Jim Richards
Executive Chairman
POZ Minerals Limited

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¹ 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](#)

² 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.

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

⁴ Terrace 5 Diamond Valuation POZ ASX Release dated 6 November 2017 [click here](#)

⁵ Maiden JORC Exploration Target; POZ ASX Release dated 21 November 2017 [click here](#)

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>

<p>Sub Sampling Techniques and Sample Preparation</p>	<p>Sample size screening, HMS separation, and X-ray Sortex processing, are industry standard processes for diamond recovery from a concentrate.</p> <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>
<p>Quality of assay data and laboratory tests</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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%.”</p> <p>Not applicable.</p> <p>Not applicable</p> <p>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.</p> <p>Not recorded.</p> <p>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.</p>
<p>Verification of sampling and assaying</p>	<p>Grid system is MGA94_51</p> <p>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.</p> <p>Sample locations are shown in attached figures and sections</p> <p>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</p>
<p>Location of Data points</p>	<p>Not applicable.</p> <p>Not applicable.</p>

	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