

## **Blina Diamond Project Major Equipment Purchase**

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### **1.0 Introduction**

POZ Minerals Limited ('POZ' or the 'Company') is pleased to provide an update on the processing plant and permitting at the Company's wholly owned Blina Diamond Project near Ellendale, Western Australia.

Bulk sampling and trial mining is scheduled to take place at Blina later this year. POZ is currently procuring a wholly owned, low cost, processing plant for the treatment of the alluvial gravels and to facilitate the recovery of diamonds.

### **1.0 Processing Plant - Major Equipment Purchase**

The Company has recently purchased a 50 tonne per hour trommel (see photo below), which will be the single largest item of equipment on the processing plant. The trommel is used to disaggregate clays from the alluvial gravels and should prove highly effective for treating the diamondiferous gravel types encountered at the Blina Project. The trommel has been inspected and was found to be in good condition, including the inner barrel rubber lining.

### **Recently Purchased 50 tonne per hour Trommel with POZ Chairman Mr Jim Richards and POZ Processing Plant Consultant Mr Tom Reddicliffe**



This trommel is the same one that was originally used at the Blina Diamond Project by the previous operators in 2005 and 2006. This piece of equipment has been shown to be highly effective and fit for purpose for treating the alluvial gravel types which have been encountered at Blina.

The purchased trommel ancillary equipment also includes the electric drive motor, hydraulic pump, hydraulic oil reservoir, drive gearing (x2) and oil cooler. The trommel will now be relocated to a Perth based engineering works for a service, the installation of safety rails and integration with other plant equipment which is currently being procured.

Three sets of grizzly bars were also purchased and these will be set into a frame to enable the removal of the plus 100mm fraction prior to the gravels being fed into the trommel.

## **2.0 Production Bore Water Extraction Permit - Granted**

A 'Licence To Take Water' has been issued by the Department of Water and Environmental Regulation. This permit entitles POZ to take 350,000 kilolitres (tonnes) of water per annum for the purpose of 'mineral processing and other mining purposes'.

As a rule of thumb, between two to three tonnes of process water is used to treat every tonne of alluvial gravels. It is anticipated that up 60% to 80% of the process water will be recycled, so this water licence will enable the POZ processing plant to operate without any constraints on process water supply.

## **3.0 Other Permits**

Other permitting applications to facilitate mining at the Blina Diamond Project are well underway. Recently granted permits include:

- A permit to construct an apparatus for camp wastewater treatment from the Department of Health.
- A granted Certificate of Registration for POZ to operate a canteen/kitchen for the Blina camp from the Shire of Derby.
- The Company is currently awaiting a Program of Works approval to facilitate drill sampling of the diamond trap site targets for ore characterisation work (geochemistry). This is to ensure the material to be treated is environmentally benign and will enable the tailings storage facility to be approved. The Company anticipates this work will take place in April 2018.

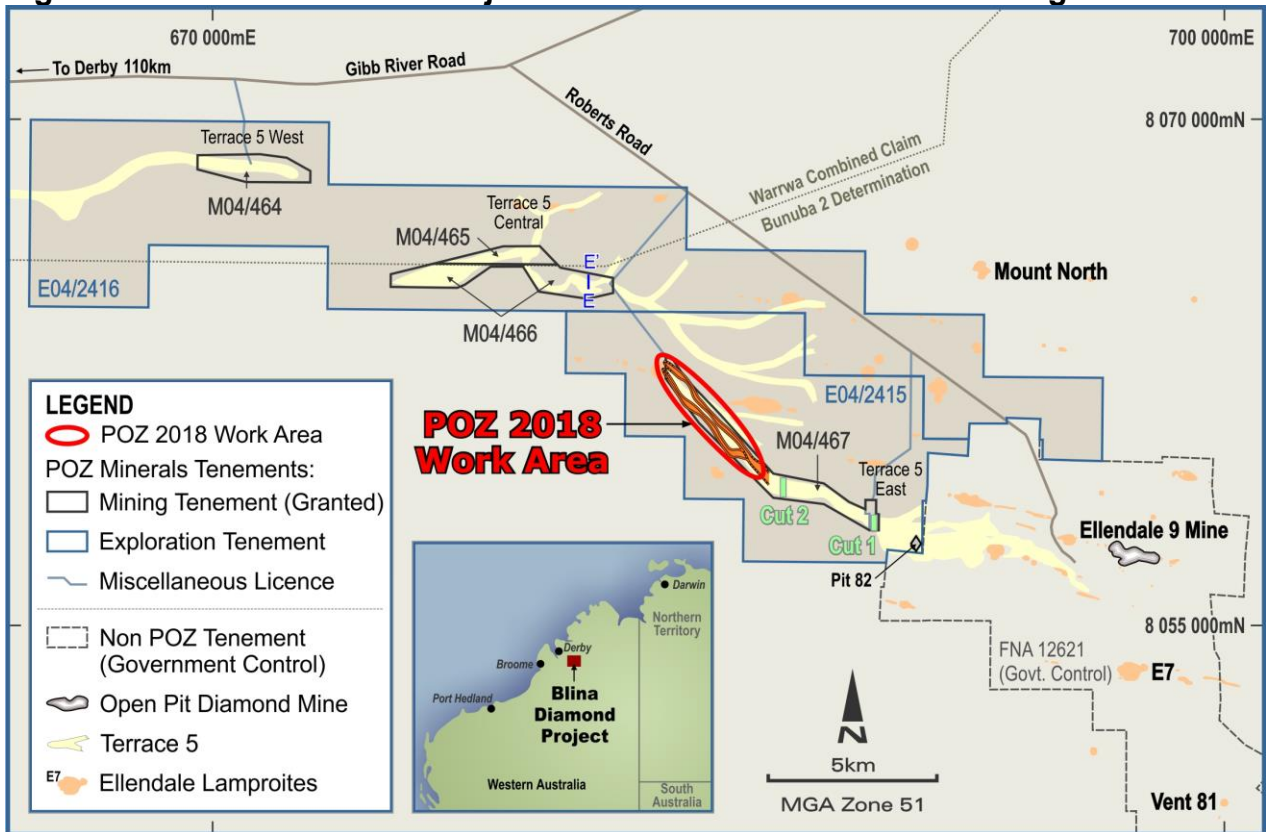
## **4.0 Summary**

The Company is very pleased with the purchase of the trommel and has added confidence in the suitability of this particular piece of critical equipment as it is the same trommel which has already been used to successfully treat Blina gravels. The commencement of the bulk sampling operations remains on track to commence in June this year.

Jim Richards  
 Executive Chairman  
 POZ Minerals Limited

Enquiries To: Mr Jim Richards +61 8 9422 9555

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



*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.*