



POTASH MINERALS LIMITED



(08) 9482 0515



Ground Floor, 16 Ord Street
West Perth WA 6005



info@potashmin.com.au

Potash Minerals - Strategy Update

Potash Minerals Ltd. (ASX:POK) ("Potash Minerals" or the "Company") believes it possesses one of the largest and highest grade JORC compliant potash mineral resources in the United States being 902.4 Mt at 20.3% KCl equivalent (12.8% K₂O) average grade at a 15.9% KCl equivalent (10% K₂O) composite cut-off grade. The Company has now determined that a change in strategic direction is required in light of the only slowly improving world potash market outlook. Accordingly the Company is providing this update on the business strategy to advance the development of the Hatch Point Potash Project.

Highlights include:

- ❖ Positioning the Company to capitalize on the large local United States market
- ❖ Developing a more stepwise approach to exploit this world class asset
- ❖ Initiating an external strategic review to unlock necessary project efficiencies
- ❖ Creating exploration and resource optimizations to drill selective targets
- ❖ Establishment of partnerships and alliances for exploration and development

"The valuation of exploration and development stage potash projects continues to be affected by volatile market conditions that occurred in the recent past" commented Ananda Kathiravelu, Chairman of Potash Minerals. "The Board of Directors has revised the Company's business strategy to focus on the special advantage of the Hatch Point Potash Project which is a truly unique combination of significant size & grade, USA market location, excellent infrastructure & transportation and the additional benefits of competitively priced availability of critical local inputs including gas, water & labor."

As part of this renewed strategy, the Company is also pleased to announce the engagement of Northern Shoreline Corp. ("Northern Shoreline") to assist the Company with a more vigorous development of Hatch Point Potash Project. Northern Shoreline will take on the role of development advisor to the Company to help bring about this necessary transformation. Northern Shoreline will also assist the Company with evaluating fertilizer markets and applicable strategic initiatives required to target the United States market.

About Northern Shoreline Corp.

Northern Shoreline Corp. is a Toronto-based provider of corporate advisory and consulting services to mid-size companies in the mining, minerals, chemicals, fertilizers and agriculture sectors. Northern Shoreline builds long-term partnerships with selected companies for value creation through developing capital market and operational strategies as well as investment and financial plans to bridge the gap between early stage development and institutional investment. Launched in 2012, Northern is headed by Max Vichniakov, B.Sc., MBA Principal.

For and on behalf of Potash Minerals Limited

Ananda Kathiravelu
Chairman

Potash Minerals Limited

Tel:

+61 8 9482 0515

Fax:

+61 8 9482 0505



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About Potash Minerals Ltd.

Potash Minerals Limited is incorporated and registered in Australia and listed on the Australian Stock Exchange (ASX code: POK). Potash Minerals is engaged in mineral exploration and development and has global reach. The Company's focus is on a world class potash project in the Paradox Basin of south east Utah in the United States. The company owns 90% of K2O Utah LLC, its potash joint venture in the USA which has 405km² of highly prospective potash permits.

The Hatch Point Potash Project has a world class potash resource of 902 million Tonnes at a 20% KCl grade. The Mineral Resource includes both sylvinite and carnallite material with the sylvinite Mineral Resource estimated at **604Mt at 21.4% KCl** (13.5% K₂O) average grade. At higher cut off grades the sylvinite resource stands at **303 Mt at 24.4% KCl** (15.4% K₂O) average grade, and within this **104 Mt at 30% KCl** (18.9% K₂O) average grade. The Mineral Resource estimate is defined on less than 20% of the 405 km² Project area. Additionally, only potash beds at least 2m thick and of greater than a 15.9% KCl-equivalent (10% K₂O) composite grade were included in this resource estimate.

Table 1: Hatch Point Potash Project Mineral Resource

(Based on a 15.9% KCl (10% K₂O) composite grade cut-off and a 2.0-m bed thickness cut-off)

Bed	Mineralogy	Average Thickness (m)	Resource Area (km ²)	In-Place Tonnes (M) ^{1,2}	K ₂ O (wt %)	KCl (wt %)
Measured³						
P13 Upper	Sylvinit	-	-	-	-	-
P13 Lower	Sylvinit	3.2	0.87	5.0	12.9	20.4
P18 Upper	Sylvinit	-	-	-	-	-
	Carnallite	8.8	0.51	6.9	10.5	16.6
P18 Lower	Sylvinit	-	-	-	-	-
	Carnallite	2.7	0.51	1.9	15.2	24.1
Total Measured				13.8	12.0	19.0
Indicated⁴						
P13 Upper	Sylvinit	-	-	-	-	-
P13 Lower	Sylvinit	3.4	4.91	29.5	12.6	20.0
P18 Upper	Sylvinit	-	-	-	-	-
	Carnallite	8.4	4.85	63.0	10.5	16.7
P18 Lower	Sylvinit	-	-	-	-	-
	Carnallite	2.7	4.05	15.5	15.1	24.0
Total Indicated				107.9	11.7	18.8
Inferred⁵						
P13 Upper	Sylvinit	3.3	7.31	42.4	12.9	20.5
P13 Lower	Sylvinit	3.4	10.59	64.4	12.1	19.2
P18 Upper	Sylvinit	4.4	45.24	353.9	14.0	22.2
	Carnallite	7.9	14.09	170.9	10.7	17.0
P18 Lower	Sylvinit	4.9	12.53	108.1	13.0	20.7
	Carnallite	2.6	11.04	41.0	14.3	22.7
Total Inferred				780.7	12.9	20.5
Total Measured, Indicated & Inferred				902.4	12.8	20.3



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Notes to table above:

“-“ indicates no significant mineralisation identified

1. Average bulk density of sylvinitite 2.08 t/m³. Carnallite bulk density varies by grade; potential range 1.61 to 2.17 t/m³.
2. Bed thickness cut-off 2.0 m and composite grade cut-off of 10.0% K₂O.
3. Measured Resource located within 400-m radius from an exploration hole.
4. Indicated Resource located between 400-m and 1,200-m radius from an exploration hole.
5. Inferred Resource located between 1,200-m and 2,400-m radius from an exploration hole.

The reader is cautioned that a Mineral Resource is an estimate only and not a precise and completely accurate calculation, being dependent on the interpretation of limited information on the location, shape, and continuity of the occurrence and on the available sampling results. Actual mineralisation can be more or less than estimated depending upon actual geological conditions.

The Mineral Resource statement includes Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there can be no certainty that further exploration work will result in the determination of Indicated or Measured Mineral Resources. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. No Mineral Reserves are being stated.

Previous Reported Results

There is information in this announcement relating to Mineral Resources at the Hatch Point Potash Project. Full details of the Mineral Resource were included in the following ASX Release and are available to view on the Company's website www.potashmin.com.au:

1. 6 Dec 2013 - Resource Update for JORC 2012 on Hatch Point Potash Project

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Persons Statement

The information in this report that relates to exploration results and Mineral Resources is based on information prepared by Ms. Vanessa Santos, the Chief Geologist and Mr. Leo J. Gilbride, Vice President, both with Agapito Associates, Inc. Ms. Santos and Mr. Gilbride are Registered Members of The Society of Mining, Metallurgy and Exploration (SME), a Recognised Overseas Professional Organisation and are employed by Agapito Associates Inc.. Ms. Santos and Mr. Gilbride each 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms. Santos and Mr. Gilbride consented to the inclusion in the ASX Release dated 6 December 2013 "Resource Update for JORC 2012 on Hatch Point Potash Project" of the matters based on their information in the form and context in which it appears.

A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.