

# ASX Announcement

31 January 2017

## COMPANY DETAILS

**ABN:** 62 147 346 334

### PRINCIPAL AND REGISTERED OFFICE

Parkway Minerals NL  
Level 1, 675 Murray St.  
West Perth WA 6005

### POSTAL ADDRESS

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West Perth WA 6872

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### ASX CODE

PWN

### FRANKFURT CODE

A1JH27

### OTC PINK CODE

PWNNY

### CORPORATE INFORMATION

**31 January 2017**

349M Ordinary shares  
123M Partly paid shares  
17M Listed Options  
5M Unlisted options

### BOARD OF DIRECTORS

**Adrian Griffin**

(Non-Executive Chairman)

**Patrick McManus**

(Managing Director)

**Chew Wai Chuen**

(Non-Executive Director)

**Natalia Streltsova**

(Non-Executive Director)

## DECEMBER 2016 QUARTERLY REPORT

### Global Highlights

- global prices for phosphate & sulphate of potash remain steady .
- Several corporate transactions in progress in fertiliser feedstock sector.
- fundamentals for agri-chemicals appear strong in medium term.

### Dandaragan Trough Project ("DTP")

- process design in progress at Kemworks
- marketing of Dinner Hill project by FTI Consulting continues, data room established
- Option agreement completed to purchase freehold property at Dinner Hill
- no further drilling required to complete Preliminary Feasibility Study
- Dinner Hill now contains 250 Mt of indicated phosphate resources at a grade of 2.9% P<sub>2</sub>O<sub>5</sub>. This is sufficient for over 40 years at a consumption rate of 4 Mtpa.

### South Harz Project, Germany

- IPO funding of Davenport Resources (DAV) completed, raising \$5 Million.
- Listing on the ASX completed on 20 January 2017.
- On listing, PWN has become a substantial shareholder (19.2m shares) with an indicated value expected at some \$A3.5M.

### Technology

- PWN owns 97M Lepidico (ASX: LPD) shares. Current market value of \$1.2M.

### Corporate

- Name changed to Parkway Minerals NL

## DANDARAGAN TROUGH PROJECT

Potash West NL (“PWN”, “Potash West” or “the Company”) has continued to advance the Dinner Hill Potash and Phosphate Deposit, located some 200km north of Perth in Western Australia, (Figure 1). Dinner Hill forms part of the larger Dandaragan Trough landholding, where Potash West holds over 2,000km<sup>2</sup> of exploration tenure. Sedimentary rocks within the trough contain glauconite, a potash rich mica, and phosphate nodules. The objective is to produce phosphate and potash fertilisers and a range of valuable by-products from the phosphate and glauconite present within the sediments of the Dandaragan Trough.



Figure 1: Location plan, Dandaragan Trough Project

## Mineral Resource

The Dinner Hill Resource now covers an area of some 18km<sup>2</sup>. The resource is shown below.

### Dinner Hill Deposit Resource Summary <sup>1</sup>

Resource	Category	Tonnes (Mt)	P <sub>2</sub> O <sub>5</sub> (%)	K <sub>2</sub> O (%)
<b>Phosphate</b>	<b>Indicated</b>	<b>250</b>	<b>2.9</b>	
<b>Potash</b>				
Potash resources included within the phosphate resource area	Indicated	155		4.1
	Inferred	20		2
	Totals	175		3.8
Potash resource outside the phosphate resource area	Indicated	18		3.8
<b>Total Potash Resources</b>	Indicated	175		4.0
	Inferred	20		2
	<b>Totals</b>	<b>195</b>		<b>3.8</b>

Note: Totals may differ from sum of individual items due to rounding 1 – ASX release 03 June 2015.

In addition to the Resource at Dinner Hill, an Exploration Target has also been released (ASX announcement 22 July 2015).

The DTP has unique advantages of excellent connectivity to transport facilities, infrastructure and proximity to local and regional markets. It is located within an easy drive from Perth, and is less than 200km from two major bulk export ports, Kwinana and Geraldton. It is well situated in relation to major project infrastructure, and significant local and regional markets for its products.

### Dinner Hill Prefeasibility Study (PFS)

Process design testwork is now in progress, with Florida based Kemworks Technology Inc (**Kemworks**). Kemworks are phosphate process design specialists, with many years of focused phosphate process development experience. A fauna baseline study was completed on the Dinner Hill planned project area. This is part of the baseline studies required to complete the Environmental Impact Study for the project.

### Other

FTI Consulting have continued marketing the Dinner Hill project to prospective partners. A data room has been established and attracted early interest.

An option agreement has been completed over the farming property that overlays +90% of the Dinner Hill resource. This will underpin the +40 year life of the Dinner Hill project.

### SOUTH HARZ PROJECT

The Company owned a 55% interest in a company, East Exploration Pty Ltd (**EE**), which holds exploration licences in the South Harz region of Germany, (Figure 2). 100% of EE is owned by Davenport Resources (**DAV**), posts its successful IPO. The South Harz region has a long history of potash mining, dating back to the late 1890s. Extensive exploration work and R&D was carried out in the period from the 1960s to the 1980s. This confirmed that substantial potash deposits still remain in this region. An Exploration Target for the Küllstedt licence was reported to the ASX by Potash West on March 4, 2015. A drilling programme within that Target is in the planning stages, with the objective of starting drilling as soon as possible after listing of DAV.

Work will commence on analyzing the results from several drilling programs carried out on the Gräfentonna licence. A report is expected to be completed in the March quarter.

The Davenport IPO fund raising was completed in December 2016, raising over \$5M. DAV commenced trading on the ASX on 20<sup>th</sup> January 2017. Post listing PWN owns 19.2 million DAV shares , plus performance shares to be issued on achieving certain project milestones.

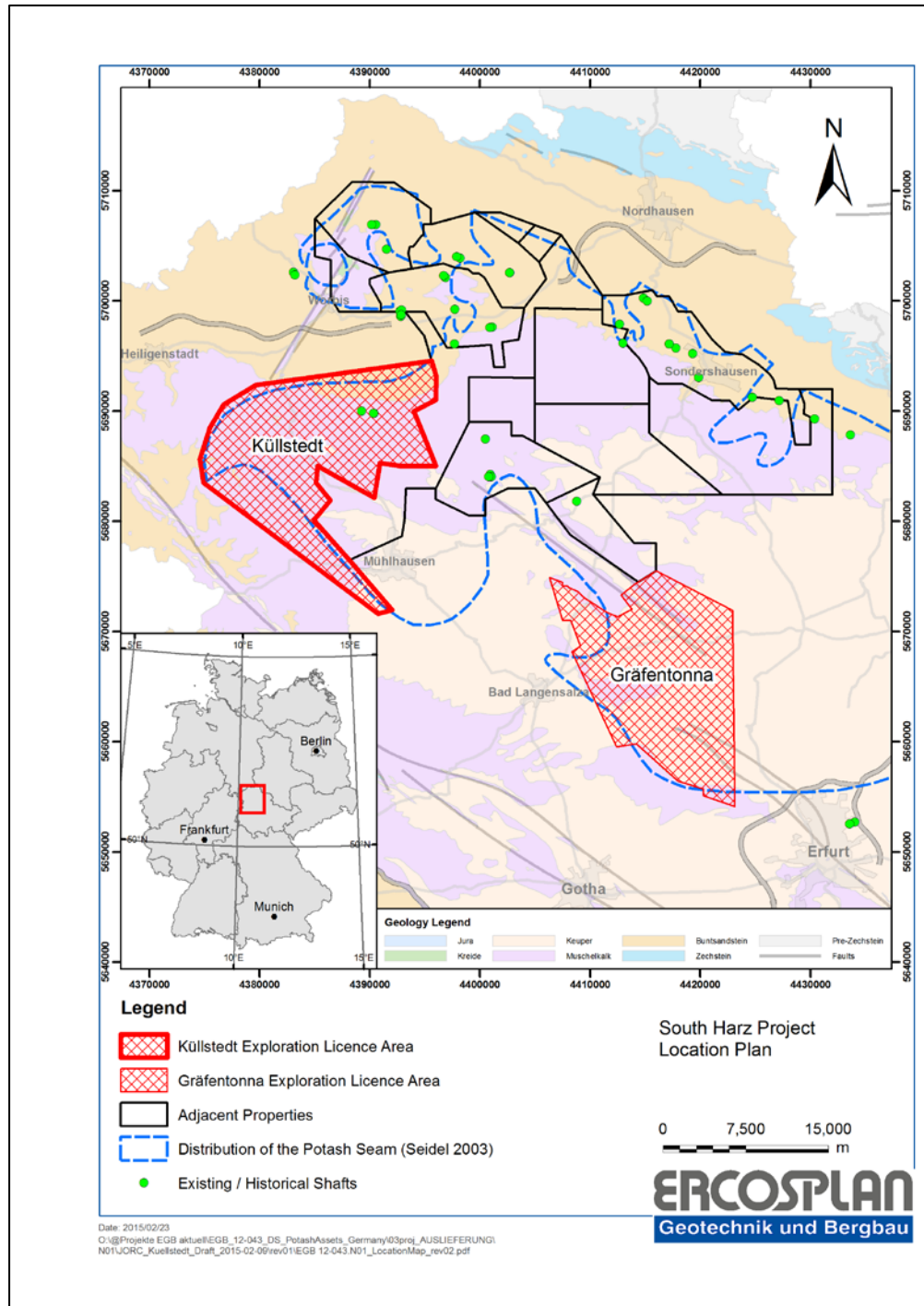


Figure 2: South Harz Project Location

## LEPIDICO LTD (FORMERLY PLATYPUS MINERALS)

Potash West owns 97 million Lepidico (**LPD**) shares. Platypus Minerals was renamed Lepidico at its AGM, on 25 November 2016. In the quarter LPD continued drilling at the Lemare project, announcing favourable results on 24 November 2016. Soil sampling has been undertaken at Euriowie, which indicates a lithium anomaly, with amblygonite samples grading as high as 7.6% Li<sub>2</sub>O. LPD announced that a pre-feasibility study for a small scale commercial L-Max<sup>®</sup> plant is expected to be completed in the March Quarter 2017. In addition to adding value to LPD, successful work on L-Max<sup>®</sup> technology will also significantly de-risk Parkway Minerals K-Max process, which is a key driver in Stage 2 of the Dinner Hill project.

## CORPORATE

The company AGM was held on 29<sup>th</sup> November 2016, all motions were passed.

At the AGM shareholder approval was given to change the company name from Potash West to Parkway Minerals. This was done for two reasons:

- The Dandaragan Trough is a major deposit of phosphates as well as potash. Stage 1 of the Dinner Hill project is focused on phosphate and even in full production of Stage 2, phosphates would account for 40% of revenue, compared to 30% for potash.
- Parkway Minerals, being a more generic name, avoids pigeon-holing the company.

## ANNOUNCEMENTS

The following ASX announcements were made during the quarter:

- 22-December-2016 Completion of Capital Raising for Davenport Resources
- 19-December-2016 Option Agreement Over Dinner Hill Property
- 08-December-2016 Update on IPO Schedule for Davenport Resources Ltd
- 01-December-2016 Corrected Name Change
- 01-December-2016 Potash West Name Change to Parkway Minerals NL
- 01-December-2016 Proactive Investors Q&A Session
- 29-November-2016 Results of Meeting
- 29-November-2016 AGM Presentation
- 08-November-2016 Appendices 3B and 3Y's
- 04-November-2016 PWN shareholders offered priority allocation - Davenport IPO
- 03-November-2016 s708A Notice, Appendices 3B and 3Y's
- 26-October-2016 Notice of Annual General Meeting/Proxy Form
- 19-October-2016 Quarterly Activities & Cash flow Reports
- 19-October-2016 Letter to Partly Paid Shareholders
- 19-October-2016 Letter to Option Holders
- 19-October-2016 Letter to Fully Paid Shareholders
- 19-October-2016 Bonus Issue Timetable Clarification
- 18-October-2016 Appendix 3B
- 18-October-2016 Bonus Issue Prospectus
- 06-October-2016 Commencement of Dinner Hill Fauna Study
- 03-October-2016 Appendix 4G

The following announcements were made subsequent to 31 December 2016:

- 19-January-2017 Davenport to commence trading on 20 January 2017
- 20-January-2017 Becoming a substantial Shareholder for Davenport

## CASH ON HAND

At 31 December 2016, \$2.5 million cash was available.

**TENEMENT SUMMARY**

The following information is provided in accordance with ASX Listing Rule 5.4.3:

Country	Tenement	Tenement Interest held at 1 September 2016	Interest acquired / disposed of during quarter	Tenement Interest held at 30 December 2016
WA	E70/3987	100% <sup>(1)</sup>	N/A	100%
WA	E70/3988	100% <sup>(1)</sup>	N/A	100%
WA	E70/3989	100% <sup>(1)</sup>	N/A	100%
WA	E70/4124	100%	N/A	0%
WA	E70/4137	100%	N/A	100%
WA	E70/4138	100%	N/A	100%
WA	E70/4139	100%	N/A	100%
WA	E70/4471	100%	N/A	100%
WA	E70/4609	100%	N/A	100%
WA	E70/4687	100%	N/A	100%
WA	E29/985			Pending
WA	E29/1003			Pending
WA	E57/1051			Pending
WA	E77/2381			Pending
WA	E77/2382			Pending
WA	E77/2406			Pending
WA	E77/2407			Pending
WA	E77/2408			Pending
WA	E77/2409			Pending

(1) Denotes Beneficial holding of the Mineral Rights to Glauconite & Phosphate, and any by-products resulting

For further information contact:

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**About Parkway Minerals**

*Parkway Minerals (ASX: PWN) is an exploration company focused on developing large greensand deposits in West Australia's Perth Basin. The Company aims to define a substantial resource base and investigate how best to recover phosphate, potash and other minerals from the Dandaragan Trough. The project is well situated in relation to infrastructure, with close access to rail, power and gas. A successful commercial outcome will allow the Company to become a major contributor to the potash and phosphate markets at a time of heightened regional demand.*

*The Company has a major land holding over one of the world's largest known glauconite deposits, with exploration licenses and applications covering an area of over 2,000km<sup>2</sup>. Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 30km in width. Current JORC compliant Indicated Mineral Resources stand at 250Mt at 2.9% P2O5 of phosphate mineralisation and*

*175Mt at 4.2% K<sub>2</sub>O, amenable to processing by the K-Max process (ASX release:3 June 2015). A pre-feasibility study is in progress for stage 1, production of phosphate fertilisers. The company has 55% of a potash exploration project in the South Harz region of Thuringia, in Central Germany. The region has been a potash producing area for over 100 years.*

**Competent Person's Statement:**

***Dandaragan Trough Project***

*The production targets and other information in this announcement that relate to Mineral Resources, are based on, and fairly represent, the Mineral Resource and supporting documentation extracted from the reports which have been prepared by a Competent Person in compliance with the JORC Code (2012) and released to ASX by the Company on 03 June 2015 and 22 July 2015. Potash West confirms that it is not aware of any new information or data that materially affect the information included in the original announcements. All material assumptions and technical parameters underpinning the Mineral Resource estimate in those previous ASX releases continue to apply and have not materially changed. The Company further 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.*

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Parkway Minerals NL

### ABN

62 147 346 334

### Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(225)	(533)
(b) development		
(c) production		
(d) staff costs	(123)	(257)
(e) administration and corporate costs	(216)	(401)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	8
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		134
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(560)</b>	<b>(1,049)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		(6)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	<b>Net cash from / (used in) investing activities</b>		<b>(6)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	2	3,305
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Equity Raising Costs)		(207)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>2</b>	<b>3,098</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,089	488
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(560)	(1,049)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2	3,098
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,531</b>	<b>2,531</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	2,531	3,089
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,531</b>	<b>3,089</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
58

Item 1.23 relates to Directors Remuneration, Directors Fees and Superannuation Contributions.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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**9. Estimated cash outflows for next quarter****\$A'000**

9.1 Exploration and evaluation

230

9.2 Development

9.3 Production

9.4 Staff costs

122

9.5 Administration and corporate costs

247

9.6 Other (provide details if material)

**9.7 Total estimated cash outflows**

**599**

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E70/4124	-	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E29/985 E29/1003 E57/1051 E77/2381 E77/2382 E77/2406 E77/2407 E77/2408 E77/2409	Applications	0%	0%

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: 31 January 2017

Print name: Patrick McManus

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.