



ASX Announcement

19 January 2018

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

PO Box 1088
West Perth WA 6872

W www.parkwayminerals.com.au

E info@parkwayminerals.com.au

P +61 8 9479 5386

F +61 8 9475 0847

ASX CODE

PWN

FRANKFURT CODE

A1JH27

OTC PINK CODE

PWNNY

CORPORATE INFORMATION

19 January 2018

534M Ordinary shares
123M Partly paid shares
17M Listed Options
4M 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 2017 QUARTERLY REPORT

Parkway Minerals (“Parkway” or “The Company”) is pleased to provide an update of activities for the December quarter.

HIGHLIGHTS

Lake Barlee Project

- Heritage Survey approvals received, Programme of Works approvals in progress
- First drill programme planned to commence in March quarter 2018

Strategic Investment

- PWN owns 7.32 Million Lithium Australia shares

Davenport Resources (19.2 Million shares held, 26%)

- Large, high grade historic resources reported for recently purchased Ebeleben and Mulhausen mining licences.

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Corporate

- Controlled Placement Agreement established after period end

LAKE BARLEE PROJECT

Parkway has a number of exploration licence applications covering Lake Barlee, north-east of Southern Cross in Western Australia (Figure 1). During the quarter 3 applications were granted and the project now consists of 4 ELs and 8 ELAs.

A geophysical survey of the Lake Barlee bed was carried out in the period. A passive seismic survey was completed over targetted choke points within the lake, as shown in Figure 2. The results of the survey are shown in figure 3. The seismic responses are interpreted to show a main channel close to the north bank of the lake, fed by tributaries coming in from the south. The main channel is estimated to extend for over 8 km and have widths of up to 1600 metres. The full announcement was released on 10 November 2017.

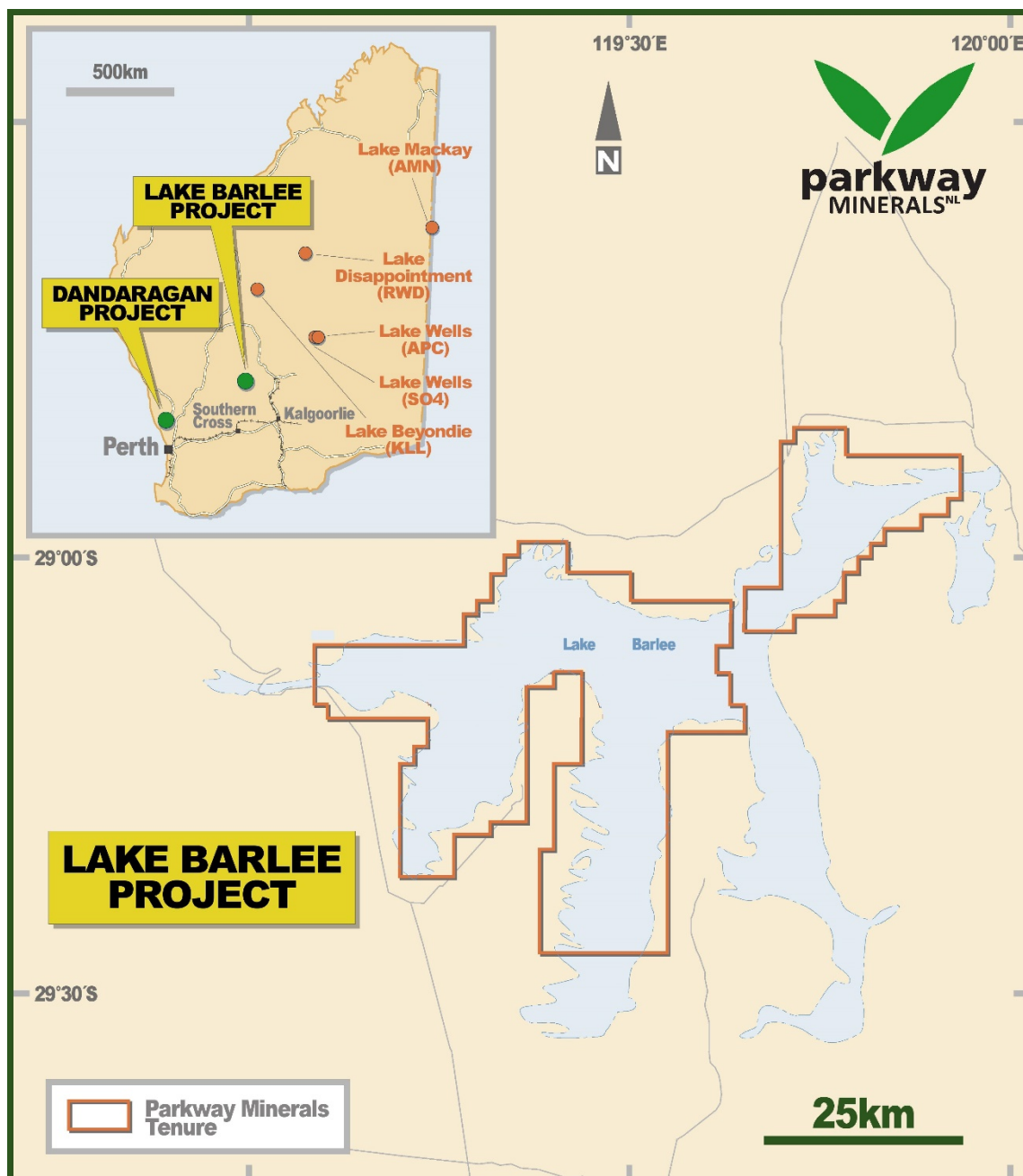


Figure 1 Lake Barlee Project area.

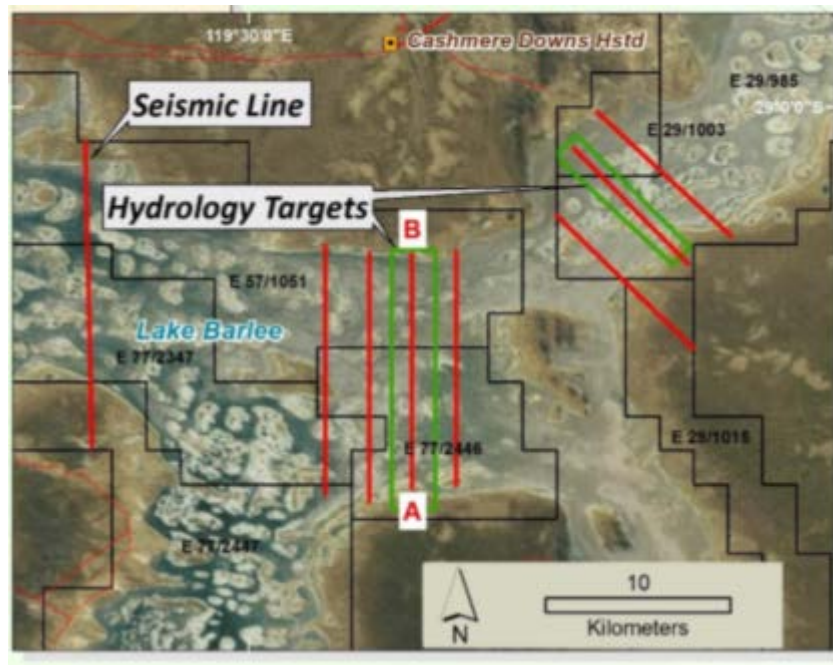


Figure 2 Lake Barlee passive seismic survey lines

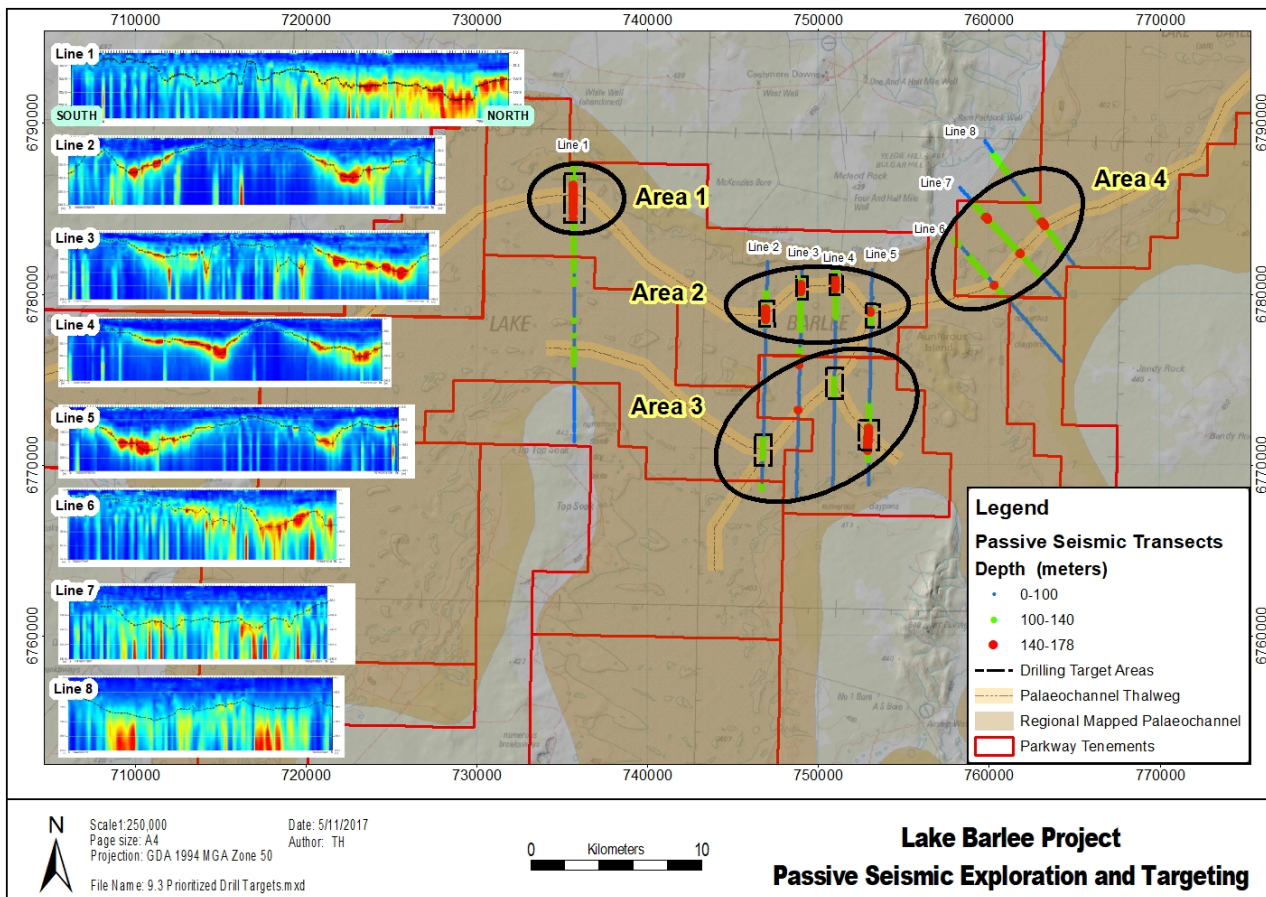


Figure 3 Lake Barlee : Seismic responses, interpreted palaeochannels and drill targets

A heritage survey was completed in early December and approval of proposed Programme of Work is expected within January. Fieldwork has commenced on site, with the objective of commencing drilling as soon as practicable.

DANDARAGAN TROUGH PROJECT

Parkway has continued to advance the Dinner Hill Potash and Phosphate Deposit, located some 200km north of Perth in Western Australia, (Figure 4). Dinner Hill forms part of the larger Dandaragan Trough Project (DTP), where Parkway holds over 1,000km² 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. The Dinner Hill Project covers some +332 km² within the DTP.

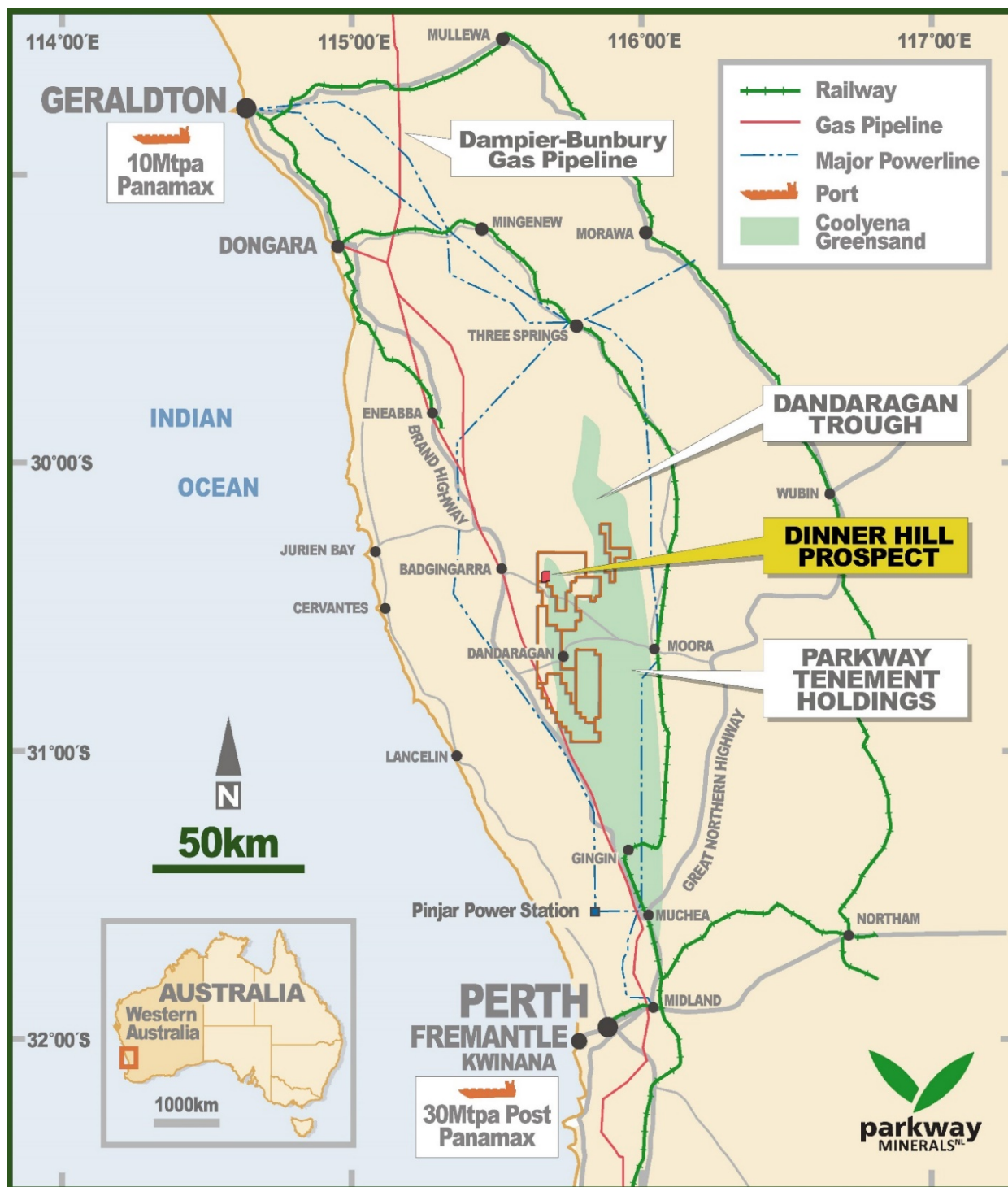


Figure 4: Location plan, Dandaragan Trough Project

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 Resource Statement

The resources for the Dinner Hill project were recalculated during September 2017 and reported to ASX on 26 September. The resources cover an area of approximately 52 km², and are shown in table 1.

DINNER HILL RESOURCE

Table1 Dinner Hill Deposit: Resource Summary

Resource	Category	Tonnes (Mt)	P ₂ O ₅ (%)	K ₂ O (%)
Phosphate	Indicated	160	2.45	
	Inferred	470	1.7	
	Total	630	1.85	
Potash				
Potash Resources included within the Phosphate Resource area	Indicated	160		4.2
	Inferred	470		4.4
	Total	630		4.4
Potash Resource outside the Phosphate Resource area	Indicated	50		2.65
	Inferred	230		2.6
	Total	280		2.6
Total Potash Resources	Indicated	210		3.8
	Inferred	700		3.8
	Totals	910		3.8

Note: Totals may differ from sum of individual items due to rounding

DAVENPORT RESOURCES

Parkway owns 19.2 million shares of Davenport Resources (**DAV**), which holds exploration licences in the South Harz region of Germany (Figure 5). The South Harz 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 work confirmed that substantial potash deposits still remain in this region

Davenport has acquired 3 Mining Licences from BVVG, a federal government department responsible for disposing assets of the former GDR. Refer DAV ASX announcement 25 October 2017. These licences, Mülhausen-Nohra, Ebeleben and Omhgebirge, have been extensively drilled over a number of campaigns (Figure 6) and the data has been well preserved. A significant historic resource from previous drilling on Ebeleben was announced by Davenport 15 November 2017. Further work, reviewing existing drilling data, is in progress.

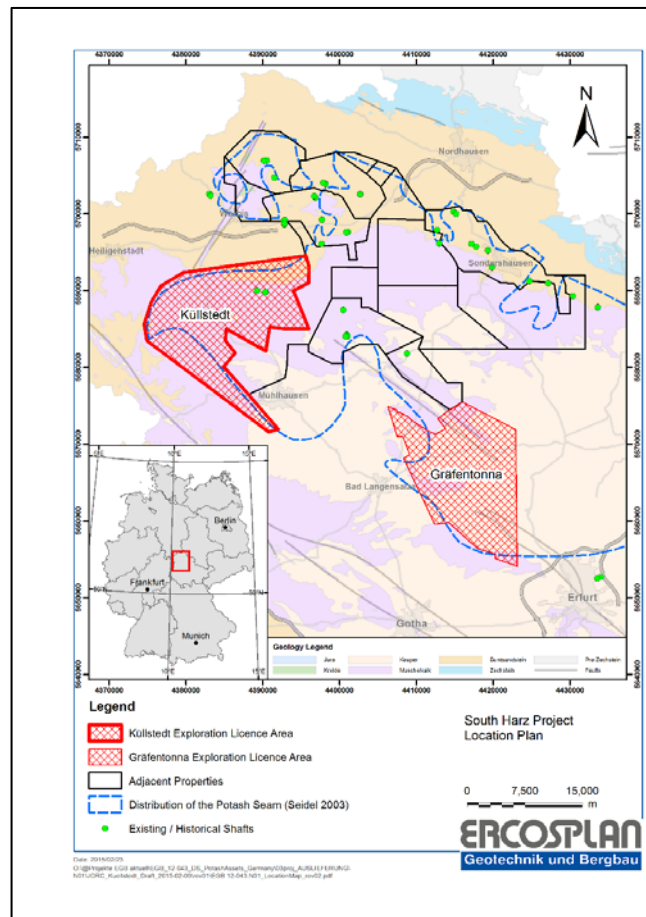


Figure 5: South Harz Project Location

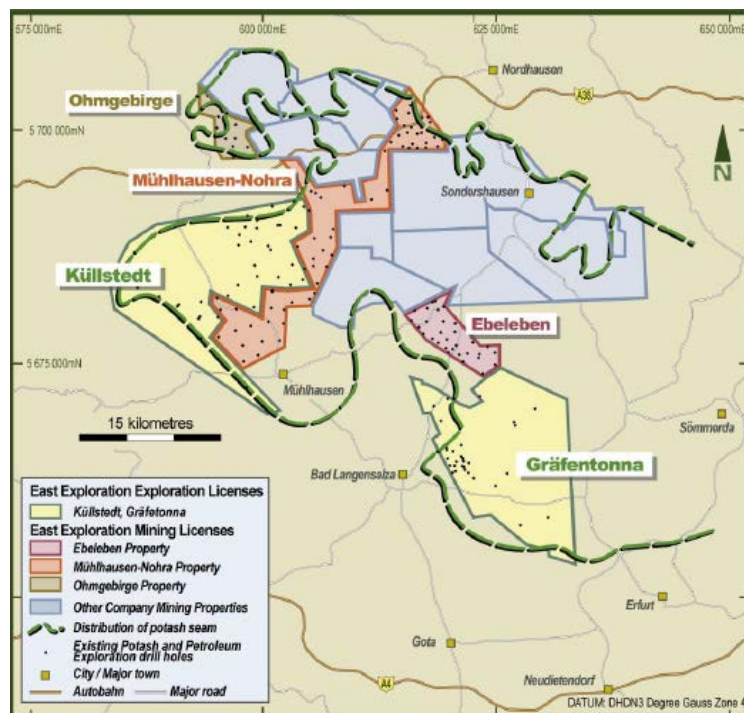


Figure 6: Location of additional mining licences

Dr Chris Gilchrist, currently a Non-executive director of Davenport will take over as Managing Director on 1 March 2018. Dr Gilchrist has extensive operating and development experience in European and African potash projects, his skills will add considerable expertise to the executive team.

SHAREHOLDINGS

Parkway owns shares in the following ASX listed Companies:

- Lithium Australia (ASX LIT) 7.32 M
- Davenport (ASX:DAV) 19.2 M,
- Davenport (ASX:DAV) 17.9 M milestone 1 shares (refer PWN announcement 18 August 2015)
- Davenport (ASX:DAV) 17.9 M milestone 2 shares (refer PWN announcement 18 August 2015)

CORPORATE

Parkway monitors activities and opportunities that may be relevant to the Company's objectives. This may include expanding or changing the scope of existing projects or engaging with third parties on other projects. If a proposal advances, details would be announced in accordance with the Company's continuous disclosure obligations.

ANNOUNCEMENTS

The following ASX announcements were made during the quarter:

29/12/2017	Cancellation & Issue of Shares
30/11/2017	Results of Meeting
30/11/2017	AGM Presentation
09/11/2017	Significant Announcement by Davenport Resources
08/11/2017	Seismic Survey at Lake Barlee Confirms Deep Palaeochannels
07/11/2017	Options Expiry
30/10/2017	Notice of Annual General Meeting/Proxy Form
30/10/2017	Change of Director's Interest Notices
24/10/2017	Completion of Share Purchase Plan, Appendix 3B
13/10/2017	Share Purchase Plan Closing Date Extended
11/10/2017	Quarterly Activities & Cashflow Reports 14
11/10/2017	Seismic Survey at Lake Barlee Confirms Deep Paleo-Channels
03/10/2017	Lake Barlee Exploration Update

ACTIVITIES SUBSEQUENT TO END OF QUARTER

CORPORATE

During January 2018 Parkway entered into a Controlled Placement Agreement (**CPA**) with Acuity Capital. The CPA will provide PWN with up to \$3 million of standby equity capital over the coming 3 years. PWN retains full control of all aspects of the placement process: having sole discretion as to whether or not to utilize the CPA, the quantum of issued shares the minimum issue price of shares and the timing of each placement tranche, if any. There are no requirements for PWN to utilize the CPA and PWN may terminate the CPA at any time, without cost or penalty. Acuity Capital and the CPA do not place any restrictions, at any time, on PWN raising capital through other methods. If PWN utilizes the CPA, PWN is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price, set by PWN, and a 10% discount to a Volume weighted Average Price (VWAP) over a period of PWN's choosing (at the sole discretion of PWN).

As collateral for the CPA, PWN has agreed to place 24 million shares from its LR7.1 capacity at nil consideration to Acuity Capital (collateral shares). PWN may, at any time, cancel the CPA and buy back the Collateral Shares for nil consideration (subject to shareholder approval). Refer to PWN ASX release 18 January 2018.

CASH ON HAND

At 31 December 2017, \$2.1 million cash was available.

For further information contact:

Parkway Minerals NL:
Patrick McManus
Managing Director
Tel: +61 (08) 9479 5386
Email: info@parkwayminerals.com.au
Web: www.parkwayminerals.com.au

About Parkway Minerals

Parkway Minerals (ASX: PWN) is a company focused on developing fertiliser feedstock projects. The Company holds 1,900km² of exploration licenses and applications over Lake Barlee, where it is exploring a sulphate of potash project from the brines in the lake, north of Southern Cross in Western Australia.

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 1,050km² in the greensand deposits of the Dandaragan Trough, in Western Australia's Perth Basin. The area is prospective for both phosphate and potash. Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 30km in width. A pre-feasibility study is in progress for stage 1, production of phosphate fertilisers. 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 owns 19.25M shares (26%) of Davenport Resources, which owns 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 26 September 2017 and 28 September 2017. Parkway Minerals 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 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	19	20
1.2 Payments for		
(a) exploration & evaluation	(179)	(330)
(b) development		
(c) production		
(d) staff costs	(136)	(212)
(e) administration and corporate costs	(293)	(552)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	88	88
1.9 Net cash from / (used in) operating activities	(500)	(983)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(12)	(98)
(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	Net cash from / (used in) investing activities	(12)	(98)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	527	1,377
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)	(23)	(23)
3.10	Net cash from / (used in) financing activities	504	1,354

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,162	1,881
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(500)	(983)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12)	(98)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	504	1,354
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,154	2,154

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	354	2,162
5.2 Call deposits	1,800	
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,154	2,162

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	136
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	

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

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	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	287
9.2 Development	
9.3 Production	
9.4 Staff costs	145
9.5 Administration and corporate costs	168
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	600

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	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E29/1015 E77/2445 E77/2446 E77/2447 E70/2450 E70/2451 E70/2452	Granted	0%	100%
	E29/1003 E29/1027 E70/5102	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: 19 January 2018

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.