ASX Announcement

21 August 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

CORPORATE INFORMATION
21 August 2018
595M Ordinary shares
123M Partly paid shares
18M Listed Options
13M Unlisted options

PARKWAY MINERALS RECENT DANDARAGAN TROUGH DRILLING HIGHLIGHTS POTENTIAL OF DAMBADGEE PROSPECT

HIGHLIGHTS

- **Extremely thick sequences of potassium rich greensands intersected.**
- **A single interval exceeding 50 metres at 3.8% K_2O recorded.**
- **Drilling potentially extends exploration target at Dambadgee, Western Australia.**
- **Drilling indicates the potential of the Dambadgee area to generate a large, high quality, potassium greensand resource amenable to bulk mining.**

Parkway Minerals NL (ASX: **PWN**) (**Parkway** or "**The Company**") is pleased to announce the results of a recently completed drill program on the Company's Dandaragan Fertiliser Project (Figure 1).

The program, comprising 40 air core holes for 1788 m, was drilled within the Dambadgee and Dinner Hill South Exploration Targets, part of the Dandaragan Fertiliser Project (refer ASX announcements "Update of Resources and Exploration Target Dinner Hill Deposit" and "New Exploration Targets for Dandaragan Trough Fertiliser Project "released 26th and 28th September 2017). Drill hole locations are shown in Figure 2.

Complete drill results are included in Table 1.

The Dambadgee area has demonstrated extensive showings of thick sequences of greensands, some over 50 metres.

Figure 1: Location Plan Dandaragan Trough

Parkway Minerals owns over 1,000 sq km of exploration licences in the Dandaragan Trough, which contains extensive deposits of greensands. Greensands consist of quartz, glauconite, phosphates and minor clays. Glauconite is rich in potassium, which is the key ingredient in potash[AG-L1]. Parkways patented K-Max® process recovers the potassium from the glauconite as Sulphate of Potash (**SOP**). As part of the process, phosphates and other chemicals would be recovered as by-products.

The location of the Dandaragan Trough is favourable for an agricultural mineral mining project. Excellent multi-user infrastructure exists close to the project site, with power, rail, water, gas and roads all close by.

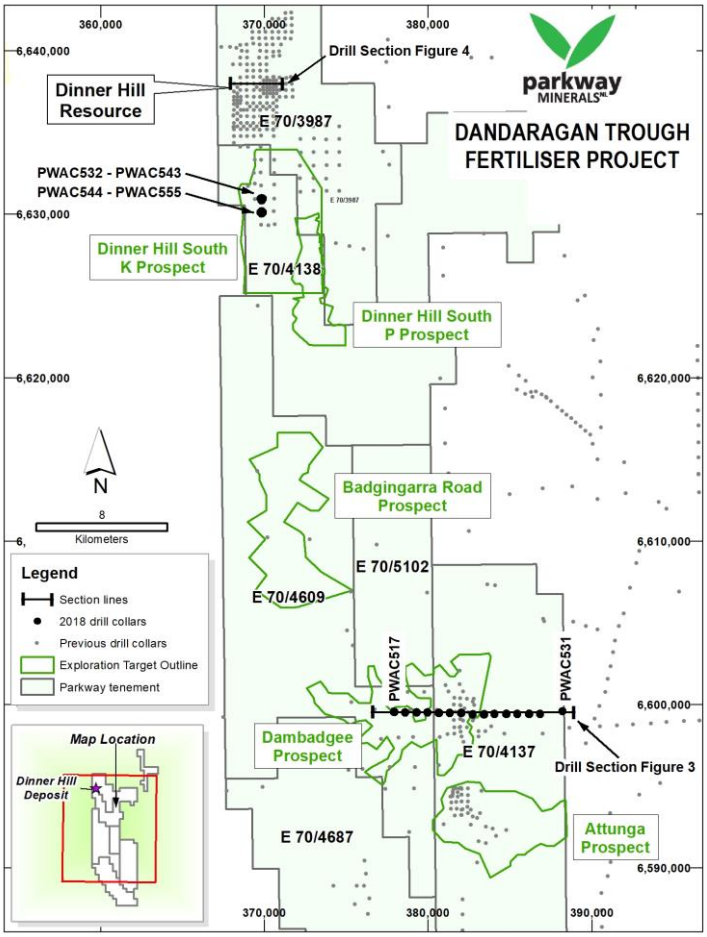

Figure 2: Dandaragan Trough drill plan and Exploration Targets

Dambadgee

The Dambadgee Prospect was previously regarded as two areas, Dambadgee West and Dambadgee (Figure 2), however the current drilling has demonstrated the areas is one continuous zone. Moreover, the drilling, which extended to the eastern edge of the tenement, returned thick intervals of fresh greensands in both the Poison Hill and Molecap Formations, beyond the eastern boundary of the current Dambadgee Exploration Target. Significant intersections include:

- **PWAC 522** which intersected 22m, from 58m, of Poison Hill greensand grading **3.18**% K_2O and **1.98**% P_2O_5 and 57m, from 92m, of Molecap Greensand grading **3.80**% K_2O and **1.06** % P_2O_5 with the hole terminating in greensand, and
- **PWAC 518** which intersected 5 metres **@ 6.21% K_2O and 1.24%** P_2O_5in Poison Hill greensand , from 76 M, and 22m **@ 4.41%** K_2O and **0.68%** $P_2O_5$from 117m in Molecap greensand**.**

On the eastern side of the deposit, the Gin Gin Chalk which commonly separates the two greensand units is missing, leading to thicker sequences of fresh greensand with hole **PWAC 523** intersecting 45m at **3.14%** K_2O and **1.72%** P_2O_5 from 46m.

The Dambadgee drill traverse extended approximately 10 kilometres east to west (Figures 2 and 3). The flatter dip of the units and significantly thicker greensand unit compared to the existing resource at Dinner Hill Deposit, which has an east-west extent of approximately 4 kilometres (figure 4). This

indicates the potential of the Dambadgee area to generate a large, high quality, potassium greensand resource amenable to bulk mining.

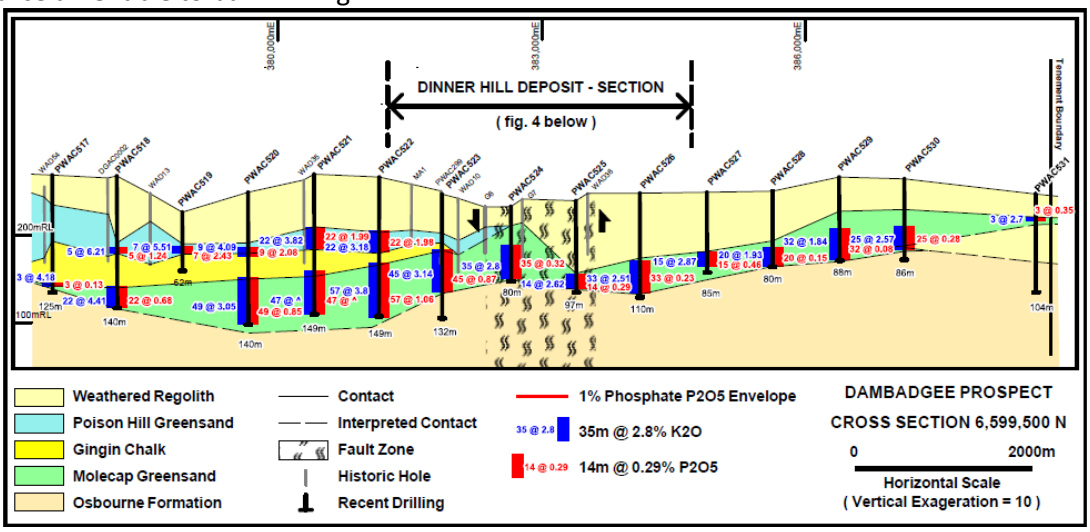

Figure 3: Cross-section through Dambadgee

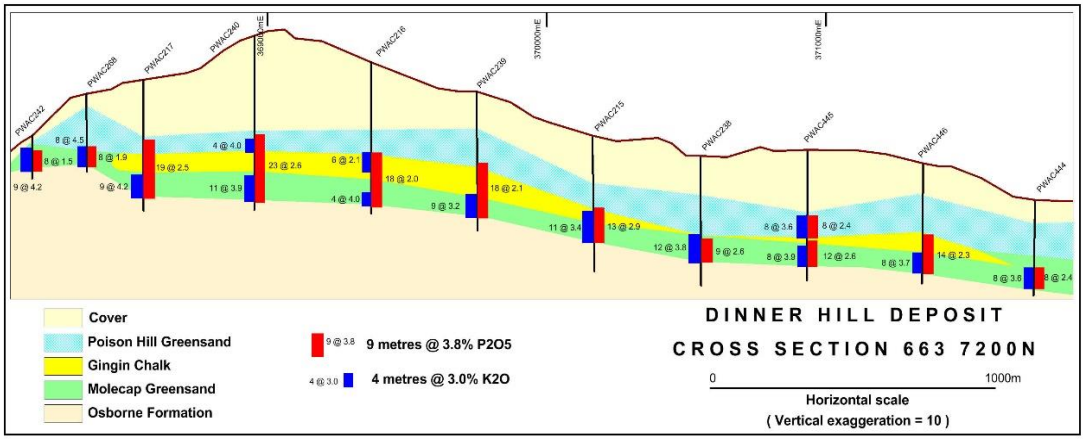

Figure 4: Typical cross-section through Dinner Hill

Dinner Hill South

A program of drill testing on part of the Dinner Hill South Exploration Target was completed to further understand the variation in the weathering profile and distribution of phosphate nodules within the greensands. The drill program was designed as a close spaced array around two previously drilled holes. The results show, from field observations, the base of weathering is quite variable over short distances and the thickness of fresh greensand varies between 1 and 6 metres thick, within a short distance.

The distribution of the phosphate nodules within the greensands is variable which is reflected in the phosphate grade. Phosphate values range from 3.71% to 0.16% P_2O_5. Phosphates occur as both nodules and as fine cement within the greensands. The higher grades are associated with intervals where phosphate nodules are reported in the samples. Further work is required to fully understand the distribution of phosphate nodules in the greensands.

Parkway Managing Director, Patrick McManus, commented "This drilling has confirmed the potential of the Dambadgee prospect to host a very thick greensand unit, with high values of potassium. This will make an excellent target for using our K-Max® process, which is in patent process, to produce SOP, phosphate fertilisers and other chemicals".

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

Peter Nesveda
Investor Relations
+61 (0) 412 357 375
peter.nesveda@parkwayminerals.com.au

About Parkway Minerals

Parkway Minerals (ASX: PWN) is a company focused on developing fertiliser feedstock projects. The Company holds 1,900km^2 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 1,050km^2 in the greensand deposits of the Dandaragan Trough, in Western Australia's Perth Basin. Several areas have been defined with good thickness's of greensands that could be mined by low-cost mining techniques. 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 44M shares (32%) 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.

Table 1: Summary drill hole data

Prospect	Drill ID	Easting	Northing	RL	TD	Formation	From	To	Thickness	K20%	P205%
Dambadgee	PWAC517	377,899	6,599,542	264	125	Molecap	116	119	3	4.18	0.13
Dambadgee	PWAC518	378,582	6,599,527	263	140	Poison Hill Molecap	76 117	81 139	5 22	6.21 4.41	1.24 0.68
Dambadgee	PWAC519	379,269	6,599,518	225	62	Poison Hill	37	44	7	5.51	2.43
Dambadgee	PWAC520	379,958	6,599,505	246	140	Poison Molecap	59 91	68 140*	9 49	4.09 3.05	2.08 0.85
Dambadgee	PWAC521	380,650	6,599,497	265	149	Poison Hill Molecap	51 103	79 149*	22 47	3.82 ^	1.99 ^
Dambadgee	PWAC522	381,334	6,599,485	262	149	Poison Hill Molecap	58 92	80 149*	22 57	3.18 3.80	1.98 1.06
Dambadgee	PWAC523	381,995	6,599,478	244	132	Molecap	59	104	45	3.14	0.87
Dambadgee	PWAC524	382,714	6,599,397	231	80	Molecap	42	77	35	2.8	0.32
Dambadgee	PWAC525	383,396	6,599,390	237	97	Molecap	79	93	14	2.62	0.29
Dambadgee	PWAC526	384,066	6,599,414	245	110	Molecap	73	106	33	2.51	0.23
Dambadgee	PWAC527	384,771	6,599,422	246	85	Molecap	64	79	15	2.87	0.46
Dambadgee	PWAC528	385,459	6,599,429	247	80	Molecap	60	80	20	1.93	0.15
Dambadgee	PWAC529	386,155	6,599,438	262	88	Molecap	56	82	32	1.84	0.08
Dambadgee	PWAC530	386,841	6,599,426	260	86	Merged	51	76*	25	2.57	0.28
Dambadgee	PWAC531	388,218	6,599,571	244	104	Molecap	26	29	3	2.7	0.35
Dinner Hill South	PWAC532	369,803	6,631,011	345	51	Molecap	38	44	6	2.77	0.56
Dinner Hill South	PWAC533	369,802	6,630,992	348	47	Molecap	36	40	4	3.35	0.33
Dinner Hill South	PWAC534	369,804	6,630,971	344	44	Molecap	39	41	2	3.77	0.99
Dinner Hill South	PWAC535	369,804	6,630,931	351	50	Molecap	40	44	4	4.91	0.71
Dinner Hill South	PWAC536	369,804	6,630,913	348	44	Molecap	37	41	4	4.44	0.67
Dinner Hill South	PWAC537	369,803	6,630,891	346	44	Molecap	38	41	3	5.23	0.52
Dinner Hill South	PWAC538	369,745	6,630,952	345	41	Molecap	37	38	1	3.11	0.29
Dinner Hill South	PWAC539	369,763	6,630,953	347	41	Molecap	38	39	1	3.11	0.29
Dinner Hill South	PWAC540	369,784	6,630,950	350	43	Molecap	36	41	5	3.95	3.71

Dinner Hill South	PWAC541	369,822	6,630,953	348	44	Molecap	38	41	3	4.81	0.34
Dinner Hill South	PWAC542	369,845	6,630,951	353	44	Molecap	39	42	3	5.08	0.45
Dinner Hill South	PWAC543	369,863	6,630,952	351	47	Molecap	41	44	3	3.83	1.79
Dinner Hill South	PWAC544	369,865	6,630,143	334	32	Molecap	24	26	2	4.03	0.61
Dinner Hill South	PWAC545	369,848	6,630,144	337	27	Molecap	21	26	5	4.05	0.67
Dinner Hill South	PWAC546	369,829	6,630,147	334	28	Molecap	22	24	2	3.88	0.47
Dinner Hill South	PWAC547	369,785	6,630,149	332	24	Molecap	19	22	3	3.67	0.26
Dinner Hill South	PWAC548	369,766	6,630,148	332	23	Molecap	19	21	2	3.75	0.19
Dinner Hill South	PWAC549	369,745	6,630,146	332	23	Molecap	23	26	3	3.63	0.33
Dinner Hill South	PWAC550	369,804	6,630,207	333	28	Molecap	23	25	2	3.35	0.31
Dinner Hill South	PWAC551	369,803	6,630,185	332	26	Molecap	23	23	1	4.50	0.39
Dinner Hill South	PWAC552	369,806	6,630,166	333	24	Molecap	19	22	3	3.93	0.21
Dinner Hill South	PWAC553	369,807	6,630,129	327	23	Molecap	19	21	2	3.30	0.18
Dinner Hill South	PWAC554	369,808	6,630,108	331	23	Molecap	19	21	2	3.30	0.18
Dinner Hill South	PWAC555	369,808	6,630,086	326	21	Molecap	18	19	1	3.89	0.16

Merged – Combined Poison Hill and Molecap Greensands
*Hole terminated due to ground conditions
^Samples Outstanding

The following section is provided to ensure compliance with the JORC (2012) requirements for the reporting of preliminary Exploration Results from drilling within E70/4137. Assay results are pending.

Appendix 1 JORC Tables

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	The Air core drill technique was used. Samples were collected via a cyclone fed by the sample return line and a riffle splitter. A 2 to 3 kg sub sample was collected from the riffle splitter for analysis. The remainder of the sample was collected in a bulk sample bag for storage Where wet samples were encountered, and the riffle splitter could not be used a representative subsample was collect from the bulk sample bag using a PVC spear
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Aircore drilling technique.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure*	The rig site geologist observed sample recoveries during operations. Intervals of poor sample recovery were primarily due to ingress of ground water. The rig geologist terminated the hole if sample recovery

Criteria	JORC Code explanation	Commentary
	representative nature of the samples. • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	was considered to be compromised.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Qualitative lithological logging using a standard logging code was completed with major and minor lithological units described. Representative sample from each metre drilled was collected in a plastic chip tray for later reference. • A photo record of each chip tray was taken.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No core drilling. • One metre drill samples were collected through the entire hole • Dry drill samples were collected through a riffle splitter supplied by the drill company. Damp or wet samples that could not be run through the riffle splitter were spear sampled • At Dambadgee only sample of fresh greensands were submitted to the laboratory. At Dinner Hill South all sample intervals were submitted • The whole sample submitted to laboratory was pulverized and a 30 gm subsample collected for digestion and analysis • Field duplicates were collected at a rate of 1 in 20. On receipt of the laboratory report the duplicates was reviewed against the original sample for any major discrepancies. • The grain size of the glauconite grains is reasonably uniform. Phosphate occurs as either as nodules between 0.2 -1 cm in diameter or fine grained cement which can exhibit a strong nugget effect when reporting results. • The standard drill sample of 2-3kg of material is considered an appropriate sample \.
Quality of assay data and	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Samples were submitted to Intertek Laboratories in Perth (Formerly Genalysis) for analysis. This laboratory has undertaken all previous analysis from previous drill campaigns on the project by the company.

Criteria	JORC Code explanation	Commentary
laboratory tests	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• For Al_2O_3, CaO, Cr_2O_3, Fe_2O_3, K_2O, MgO, MnO, Na_2O, P_2O_5 analysis a fused disk was prepared and analysed by XRF Spectrometry. LOI was determined by Thermal Gravimetric Analysis. • Certified reference materials supplied by Geostats were inserted into the sample run at the rig at a rate of 1 in 20. • Standard laboratory QA/QC protocols were used by Intertek for the analysis
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The significant intersections reported were compiled by the competent person using field data sheets and original laboratory reports. These were checked by Parkway management • No twinned holes were drilled • Sample data was collected in the field and recorded by hand in standard company format. The site geologist transferred the hard copy data to a spreadsheet on site and it was emailed to the company offices. •
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The collar coordinates and RL for each drill hole were recorded by hand held GPS • The datum was GDA 94 zone 50.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• At Dambadgee a single traverse was drilled with holes spaced approximately 400m apart along the line. This program was designed to understand the subsurface geology and mineralisation where previous drilling was sparse and of poor quality. • The Dinner Hill South program was designed primarily to determine the variation in mineralogy and grade within the greensand in order to better plan future drill programs and assist in determining extrapolation distances in resource calculations. • Drill spacing's were considered appropriate to fulfil the aims of the programs. • No sample compositing has been applied.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill samples were collected continuously through the lithological unit, perpendicular to the dip of the unit and are considered unbiased. • The greensand units are considered to be flat lying tabular bodies. There does not appear to be any significant variation the greensand mineralogy across the body.
Sample security	• *The measures taken to ensure sample security.*	• All samples were collected and stored on site. At the completion of the program samples were delivered to the laboratories sample receivable center in Perth by Company contracted personnel.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or data reviews were completed

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Drilling was completed on granted exploration licenses 70/4609, 70/4137, 70/4138 • The tenements are held by Parkway Minerals NL, there are no royalty or third party interests in the tenements. • The tenements are situated over freehold farming titles. The company has entered into agreements with each freehold title holder allowing the company access to the top 30 meters.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration for potash and phosphate mineralisation in the area has been undertaken a number of companies in the late 1970-1980. This work primarily involved wide spaced percussion drilling and sampling. Parkway Minerals has also completed wide spaced drilling over both prospects.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Potash and phosphate mineralisation occurs within shallow dipping greensand units. The glauconite mineral is the principal source of potassium and nodules and fine cement are the principal sources of

Criteria	JORC Code explanation	Commentary
		phosphate

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Details of each hole drilled in the program are provided in table1 within the body of the report.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	All sample were collected on one metre intervals The intervals reported are based on the visual identification of fresh unoxidised greensand. Metallurgical test work undertaken by the company on the Dinner Hill Deposit indicates that only fresh greensand is amenable to processing. The weighted average for each intersection reported was calculated for each unit of fresh greensand.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Mineralisation is confined to greensand units that dip 3º- 5º degrees to the east. Vertical drill holes will intersect the mineralisation perpendicular to greensand body and give a good indication of the true thickness of the mineralisation •
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill*	• Appropriate plans and maps are provided in the body of the report

Criteria	JORC Code explanation	Commentary
	hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All drill results for fresh greensands have been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The company has completed a significant amount of test work on the extraction of potash and phosphate from the greensand ores within the Dinner Hill Deposit in the northern part of the project area. To date no extraction test work has been completed on drill sample from the Dambadgee or Dinner Hill South Prospects.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• At Dambadgee further drilling is required to fully define a resource. Test work on the greensand ore is required to confirm it has similar extraction properties to the Dinner Hill Deposit and is amenable to processing through the current flow sheet proposed for Dinner Hill. • The current program downgraded the Dinner Hill South prospect and no further work is planned.