



POTASH MINERALS LIMITED



(08) 9482 0515



Ground Floor, 16 Ord Street  
West Perth WA 6005



info@potashmin.com.au

## QUARTERLY ACTIVITIES REPORT

FOR THE 3 MONTHS ENDED  
31 DECEMBER 2014

### Hatch Point Potash Project

#### *Recent Activities*

The December quarter saw a change in strategic direction for Potash Minerals Limited ("Potash Minerals" or the "Company") to advance the development of the Hatch Point Potash Project in light of the continuing increase in demand yet slowly improving price in the world potash market outlook.

Highlights of this change in direction are to:

- ❖ 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

As part of this renewed strategy, Northern Shoreline Corp. ("Northern Shoreline") has been appointed as a development advisor to assist the Company with a more vigorous development of Hatch Point Potash Project. Northern Shoreline will also assist the Company with evaluating fertilizer markets and applicable strategic initiatives required to target the United States market.

The Company continues to assess options to enable a lower cost drilling program to be designed and implemented for the Federal Drilling Program at the Hatch Point Potash Project. We continue to strengthen and improve our working relationships with the Bureau of Land Management with regards to activities ongoing and planned. Discussions on joint drilling and further sharing of geological data with Fidelity Oil and gas were advanced.

Technical planning and project funding continue as key priorities to progress the project further and add value to the project. Negotiations continue with regards to securing the water rights for a fully operational project.

#### *About the Project*

Potash Minerals Limited has earned 90% of the Hatch Point Potash Project which covers 405km<sup>2</sup> in the Paradox Basin in south eastern Utah.

The Hatch Point Potash Project is located close to key agricultural regions of the United States and as such is well situated to supply fertilizer manufacturers and agricultural cooperatives in the western United States. The Project also has substantial export potential given its excellent proximity to key US rail infrastructure leading to West Coast ports.

The Hatch Point Potash Project comprises potash (KCl) mineralization in two beds of interest, Potash 13 and Potash 18, which occurs in two sub-beds. Potash 18 Upper is ubiquitous across the property, while Potash 18 Lower occurs locally to the southwest.



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Independent consultant Agapito Associates, Inc. issued a Mineral Resource of **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 resource breakdown is summarized in Appendix 1. Detailed analysis of the Mineral Resource with geology, estimation methodology, and accompanying tables can be found in the 6 December 2013 ASX release titled "Resource Update for JORC 2012 on Hatch Point Potash Project".

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 km<sup>2</sup> 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.

### Radar Iron Investment (Potash Minerals Stake ~17%)

For further information regarding Potash Minerals' 17% investment in Radar Iron Limited (RAD), visit Radar Iron's website [www.radariron.com.au](http://www.radariron.com.au).

## Corporate

### Unmarketable Parcel Cancellation

The Company has decided that proposed sale of ordinary shares for relevant holders of less than a marketable parcel of shares (**Sale Facility**) has been cancelled. The 1,121 shareholders who elected to participate in the Sale Facility retain their full holding of ordinary shares in the Company, a letter has been sent to these holders advising of the cancellation.

Should those holders require further information in respect to the above, they should contact Phillip Wingate, Company Secretary on + 61 8 9482 0515 or [info@potashmin.com.au](mailto:info@potashmin.com.au).

### ASX Announcements

The Company made the following announcements during the quarter.

Date	Announcement
3/12/2014	Expiry of Options & Change of Directors Interest Notices
24/11/2014	Results of Meeting
14/11/2014	Potash Minerals Strategy Update
4/11/2014	Change in Substantial Holding for RAD
31/10/2014	Less Than Marketable Parcel Share Sale Facility Update
29/10/2014	Quarterly Activities and Cashflow Report
16/10/2014	Notice of Annual General Meeting/Proxy Form
16/10/2014	Annual Report to Shareholders

### For and on behalf of Potash Minerals Limited

Ananda Kathiravelu

Chairman

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### **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](http://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 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.*



## Appendix 1

**Table 1: Hatch Point Potash Project Mineral Resource**

(Based on a 15.9% KCl (10% K<sub>2</sub>O) composite grade cut-off and a 2.0-m bed thickness cut-off)

Bed	Mineralogy	Average Thickness (m)	Resource Area (km <sup>2</sup> )	In-Place Tonnes (M) <sup>1,2</sup>	K <sub>2</sub> O (wt %)	KCl (wt %)
<b>Measured<sup>3</sup></b>						
P13 Upper	Sylvinite	-	-	-	-	-
P13 Lower	Sylvinite	3.2	0.87	5.0	12.9	20.4
P18 Upper	Sylvinite	-	-	-	-	-
	Carnallite	8.8	0.51	6.9	10.5	16.6
P18 Lower	Sylvinite	-	-	-	-	-
	Carnallite	2.7	0.51	1.9	15.2	24.1
<b>Total Measured</b>				<b>13.8</b>	<b>12.0</b>	<b>19.0</b>
<b>Indicated<sup>4</sup></b>						
P13 Upper	Sylvinite	-	-	-	-	-
P13 Lower	Sylvinite	3.4	4.91	29.5	12.6	20.0
P18 Upper	Sylvinite	-	-	-	-	-
	Carnallite	8.4	4.85	63.0	10.5	16.7
P18 Lower	Sylvinite	-	-	-	-	-
	Carnallite	2.7	4.05	15.5	15.1	24.0
<b>Total Indicated</b>				<b>107.9</b>	<b>11.7</b>	<b>18.8</b>
<b>Inferred<sup>5</sup></b>						
P13 Upper	Sylvinite	3.3	7.31	42.4	12.9	20.5
P13 Lower	Sylvinite	3.4	10.59	64.4	12.1	19.2
P18 Upper	Sylvinite	4.4	45.24	353.9	14.0	22.2
	Carnallite	7.9	14.09	170.9	10.7	17.0
P18 Lower	Sylvinite	4.9	12.53	108.1	13.0	20.7
	Carnallite	2.6	11.04	41.0	14.3	22.7
<b>Total Inferred</b>				<b>780.7</b>	<b>12.9</b>	<b>20.5</b>
<b>Total Measured, Indicated &amp; Inferred</b>				<b>902.4</b>	<b>12.8</b>	<b>20.3</b>

"-" indicates no significant mineralisation identified

1. Average bulk density of sylvinite 2.08 t/m<sup>3</sup>. Carnallite bulk density varies by grade; potential range 1.61 to 2.17 t/m<sup>3</sup>.
2. Bed thickness cut-off 2.0 m and composite grade cut-off of 10.0% K<sub>2</sub>O.
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.



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## Appendix 2

### Interest in Mining Tenements

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed of during the quarter
<b>Hatch Point Potash Project</b>	Utah, USA			
<i>State Potash Leases</i>				
ML51725		90%	-	-
ML51726		90%	-	-
ML51727		90%	-	-
ML51728		90%	-	-
ML51729		90%	-	-
ML51730		90%	-	-
ML51731		90%	-	-
ML51732		90%	-	-
ML51733		90%	-	-
ML51734		90%	-	-
ML51735		90%	-	-
ML51736		90%	-	-
ML51737		90%	-	-
ML51738		90%	-	-
<i>Federal Potash Prospecting Permits</i>				
UTU 086430		90%	-	-
UTU 086573		90%	-	-
UTU 086574		90%	-	-
UTU 086575		90%	-	-
UTU 086579		90%	-	-
UTU 086580		90%	-	-
UTU 086581		90%	-	-
UTU 086583		90%	-	-
UTU 086584		90%	-	-
UTU 086585		90%	-	-
UTU 086586		90%	-	-
UTU 086587		90%	-	-
UTU 086588		90%	-	-
UTU 086589		90%	-	-
UTU 086590		90%	-	-
UTU 086591		90%	-	-
UTU 086592		90%	-	-
UTU 086593		90%	-	-
UTU 086594		90%	-	-
UTU 086595		90%	-	-
UTU 086596		90%	-	-
UTU 086597		90%	-	-

### Interests in Farm-in and Farm-out agreements

Potash Minerals currently has no farm-in or farm-out agreements in place over any projects.



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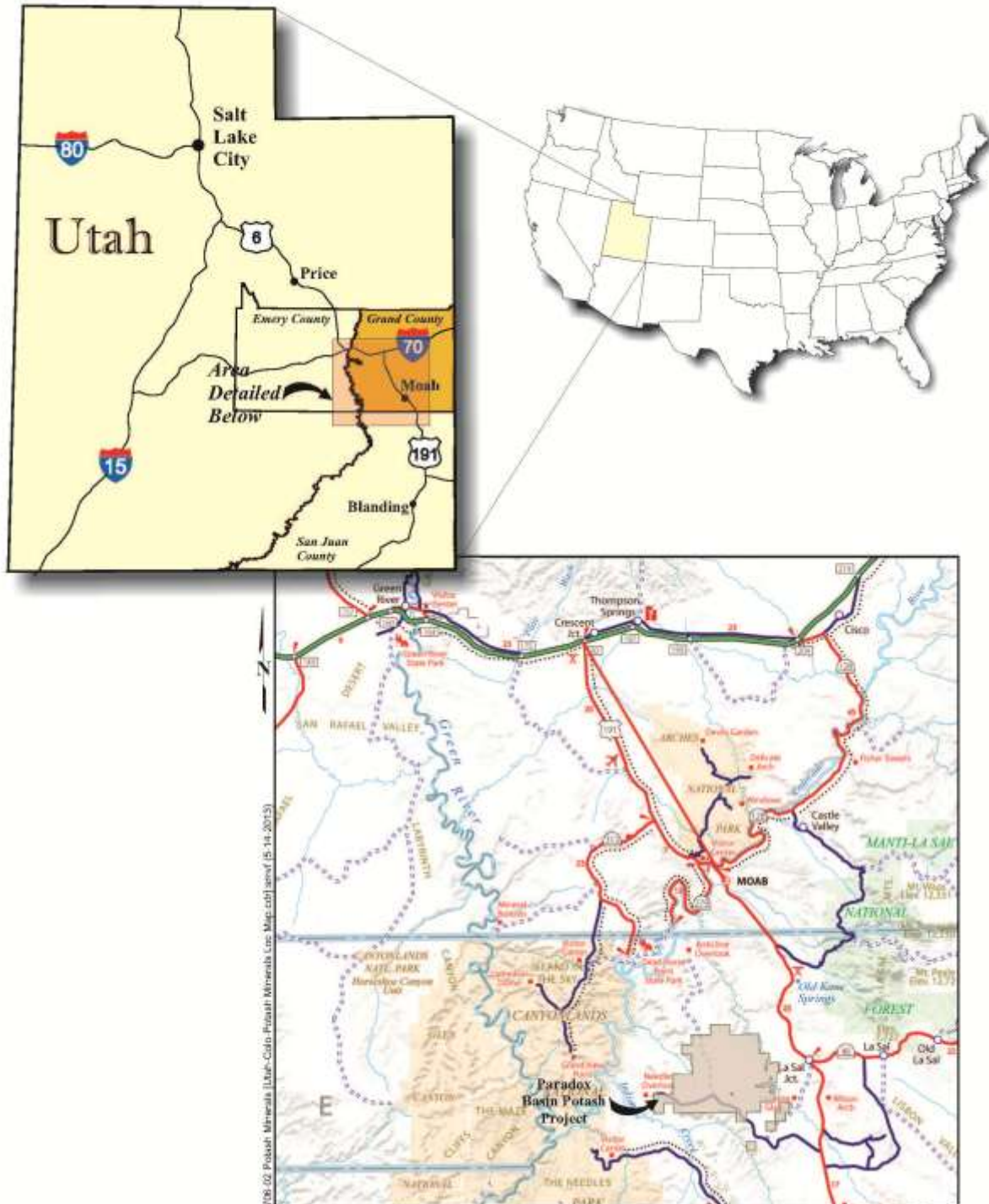


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Figure 1: Project Location







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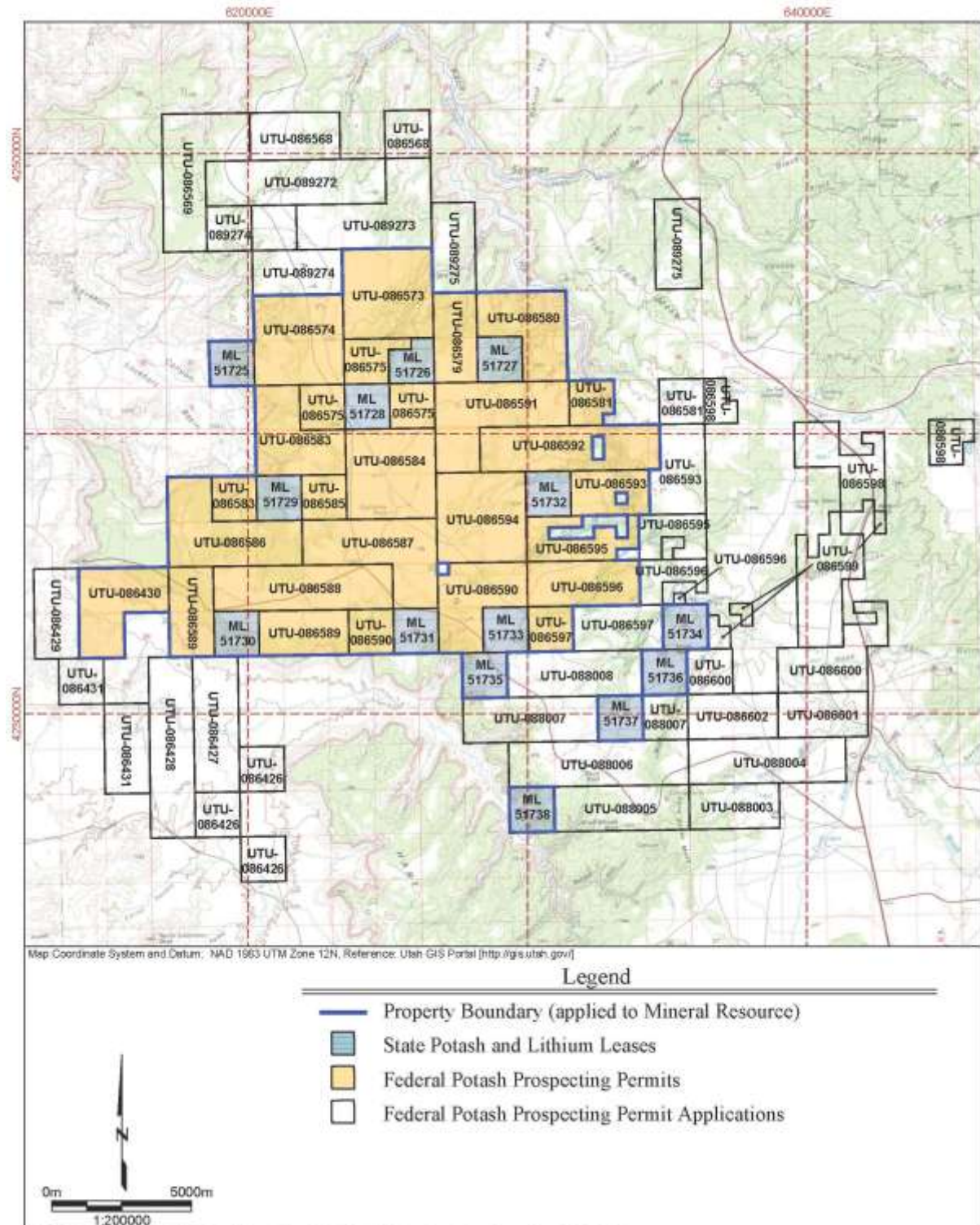


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Figure 2: Project Tenure



708-02 Potash Minerals [708-02 Potash Minerals Base Map\_May 2013.dwg; Layout: Land Tenure] smwf (8-7-2013)

## 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, 01/05/2013

Name of entity

Potash Minerals Limited

ABN

21 121 184 316

Quarter ended ("current quarter")

31 December 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (6 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(42)	(72)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(92)	(223)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	16
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>		<b>(127)</b>	<b>(279)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(127)</b>	<b>(279)</b>

+ See chapter 19 for defined terms.



1.13	Total operating and investing cash flows (brought forward)	(127)	(279)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Capital Raising Costs	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(127)	(279)
1.20	Cash at beginning of quarter/year to date	989	1,141
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	862	862

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	29
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Includes amounts paid to directors including salaries and wages for director services as well as payments to a company associated with Ananda Kathiravelu relating to the provision of investor relations and marketing support on normal commercial terms.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	60
4.2 Development	-
4.3 Production	-
4.4 Administration	100
<b>Total</b>	<b>160</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	112	239
5.2 Deposits at call	750	750
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>862</b>	<b>989</b>

## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1				
7.2				
7.3	97,115,915	97,115,915		
7.4				
7.5				
7.6				

+ See chapter 19 for defined terms.

7.7	<b>Options</b> ( <i>description and conversion factor</i> )	48,220,948 <b>48,220,948</b>	48,220,948 <b>48,220,948</b>	<b>Exercise Price</b> 20 cents	<b>Expiry Date</b> 30/11/2015
7.8	<i>Total</i> Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter			<b>Exercise Price</b>	<b>Expiry Date</b>
		1,000,000	-	100 cents	30/11/2014
		200,000	-	125 cents	30/11/2014
		1,562,500	-	50 cents	30/11/2014
	<i>Total</i>	200,000	-	60 cents	30/11/2014
		<b>2,962,500</b>			
7.11	<b>Debentures</b> ( <i>totals only</i> )				
7.12	<b>Unsecured notes</b> ( <i>totals only</i> )				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Company Secretary)

Date: 31 January 2015

Print name: Mr. Phillip Wingate

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.