POTASH
MINERALS LIMITED

INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2014

POTASH MINERALS LIMITED
ACN: 121 184 316

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This financial report covers the Potash Minerals Limited Group, consisting of Potash Minerals Limited and its subsidiaries. The financial report is presented in Australian dollars.

Potash Minerals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Potash Minerals Limited
Ground Floor
16 Ord Street
West Perth WA 6005

A description of the nature of the Group's operations and its principal activities is included in the review of operations and activities in the Directors' Report on page 2 which does not form part of the financial report.

The Company has the power to amend and reissue the financial report.

POTASH MINERALS LIMITED
ACN: 121 184 316

Corporate Information

Directors:
Ananda Kathiravelu
Chairman

G.A. Ben Binninger
Non-Executive Director

Richard Monti
Non-Executive Director

Company Secretary:
Phillip Wingate

Auditors:
Nexia Perth Audit Services Pty Ltd
Level 3
88 William Street
PERTH WA 6000

Bankers:
Westpac Banking Corporation
108 Stirling Highway
Nedlands WA 6009

Website:
www.potashmin.com.au

Registered & Principal Office:
Ground Floor, 16 Ord Street
WEST PERTH WA 6005
Telephone: + 618 9482 0515
Facsimile: + 618 9482 0505

Postal Address:
P.O. Box 902
WEST PERTH WA 6872

Utah Office:
K2O Utah, LLC,
375 South Main St. #209, Moab,
Utah 84532, USA

Home Stock Exchange:
Australian Securities Exchange Limited
Level 40
Central Park
152-158 St George's Terrace
PERTH WA 6000

ASX Code:
POK (Ordinary Shares)
POKO (Listed Options)

Share Registry:
Security Transfers Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Directors' Report

The Directors have pleasure in submitting their report on the Group, being the Company and its controlled entities, for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the Directors' report is as follows:

DIRECTORS

The names and details of Directors in office at any time during the half year were:

Ananda Kathiravelu	Non Executive Chairman
Richard Monti	Non Executive Director
Ben Binninger	Non Executive Director

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of Potash Minerals Limited ("Potash Minerals" or the "Group") is the exploration of potash in Utah, USA.

RESULTS

The net loss attributable to members of the parent entity for the period ended 31 December 2014 amounted to $104,176 (2013: $522,227). The net loss is attributable to impairment of the fair value of the Company's investment in Radar Iron Ltd upon reclassification from an associate to an equity investment and administration costs relating to an ASX listed entity.

OPERATING AND FINANCIAL REVIEW

POTASH – K2O UTAH LLC JOINT VENTURE

The Company has focussed activities this year to date on assessing options to enable a lower cost drilling program to be designed and implemented for the Federal Drilling Program at the Hatch Point Potash Project. Through site visits and regular communications, we continue to strengthen and improve our working relationships with the Bureau of Land Management, with various County stake holders and with other exploration companies in the area.

Technical planning and project funding continue as key priorities to progress the project further and add value to the project. Negotiations continue with regard to securing the water rights for a fully operational project and with Fidelity Oil and Gas regarding data sharing and joint drilling possibilities.

The Company has appointed a consultant, Northern Shoreline Corp. ("Northern Shoreline") as 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.

RADAR IRON LIMITED

For further information regarding Potash Minerals' 17.16% investment in Radar Iron Limited (RAD), visit Radar Iron's website www.radariron.com.au.

Directors' Report (continued)

LIKELY DEVELOPMENTS

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Group that were not finalised at the date of this report. Further information as to likely developments in the operations of the Group and Company and likely results of those operations would in the opinion of the Directors, be likely to result in unreasonable prejudice to the Group.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2014 has been received and can be found on page 4.

AUDITOR

Nexia Perth Audit Services Pty Ltd continues in office in accordance with section 327 of the Corporation Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

Ananda Kathiravelu
Non-Executive Chairman

Perth
12 March 2015

Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Potash Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 2014 there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

NPAS

Nexia Perth Audit Services Pty Ltd

PTC Klopper
Director

Perth
12 March 2015

Nexia Perth Audit Services Pty Ltd
ACN 145 447 105
Level 3, 88 William Street, Perth WA 6000
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p +61 8 9463 2463, f +61 8 9463 2499
audit@nexiaperth.com.au, www.nexia.com.au

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2014

	Note	Consolidated 31 December 2014 $	 31 December 2013 $
Finance income		16,172	17,473
Share of net loss of an associate using the equity method	5	307,274	(41,844)
Financial, administration, insurance and compliance costs		(110,840)	(257,191)
Consulting and contracting expenses		(11,507)	-
Share based payments		-	(75,632)
Employee benefits expense		(42,586)	(112,526)
Impairment of available for sale assets	6	(226,906)	-
Administration expenses		(36,334)	(55,441)
Profit / (Loss) before income tax expense		(104,727)	(525,161)
Income tax benefit		-	-
Profit / (Loss) for the period		**(104,727)**	**(525,161)**
Other Comprehensive Income / (Loss):			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		463,042	559,000
Other comprehensive income / (loss) for the period, net of tax		463,042	559,000
Total Comprehensive Income / (Loss) for the period		**358,315**	**33,839**
Profit / (Loss) attributable to:			
Owners of the parent		(104,176)	(522,227)
Non-controlling interest		(551)	(2,934)
Total Comprehensive Income / (Loss) attributable to:			
Owners of the parent		358,886	36,773
Non-controlling interest		(551)	(2,934)
Basic & Diluted Profit / (Loss) per share - cents per share		(0.11)	(0.55)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As at 31 December 2014

	Note	Consolidated 31 December 2014 $	30 June 2014 $
ASSETS			
Current assets			
Cash and cash equivalents		861,282	1,140,697
Other receivables		13,601	21,582
Total current assets		**874,883**	**1,162,279**
Non-current assets			
Other receivables		295,046	256,907
Investments accounted for using the equity method	5	-	259,991
Exploration and evaluation expenditure	2	3,254,638	2,788,000
Other financial assets	6	340,359	-
Total non-current assets		**3,890,043**	**3,304,898**
TOTAL ASSETS		**4,764,926**	**4,467,177**
LIABILITIES			
Current liabilities			
Trade and other payables		25,830	90,702
Total current liabilities		**25,830**	**90,702**
TOTAL LIABILITIES		**25,830**	**90,702**
NET ASSETS		**4,739,096**	**4,376,475**
EQUITY			
Share capital	3	29,989,494	29,989,494
Reserves		2,287,173	5,951,571
Accumulated losses		(25,517,434)	(29,545,004)
Equity attributable to owners of the parent		6,759,233	6,396,061
Non-controlling interest		(2,020,137)	(2,019,586)
TOTAL EQUITY		**4,739,096**	**4,376,475**

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

POTASH MINERALS LIMITED
ACN: 121 184 316

Condensed Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2014

Consolidated 2014	**Issued Capital $**	**Option Reserve $**	**Foreign Currency Translation Reserve $**	**Accumulated Losses $**	**Non-Controlling Interest $**	**Total Equity $**
Total equity at the beginning of the period	**29,989,494**	**4,127,440**	**1,824,131**	**(29,545,004)**	**(2,019,586)**	**4,376,475**
Total Comprehensive Profit / (Loss) for the period						
Profit / (Loss) for the period	-	-	-	(104,176)	(551)	(104,727)
Total other comprehensive income	-	-	463,042		-	463,042
Total Comprehensive Income / (Loss) for the period	-	-	463,042	(104,176)	(551)	358,315
Transactions with equity holders:						
Shares issued during the period:						
Share-based payments	-	4,306	-	-	-	4,306
Reclassification of share-based payments (expired options)	-	(4,131,746)	-	4,131,746	-	-
Total equity at 31 December 2014	**29,989,494**	**-**	**2,287,173**	**(25,517,434)**	**(2,020,137)**	**4,739,096**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity (continued)
For the half-year ended 31 December 2014

Consolidated 2013	**Issued Capital $**	**Option Reserve $**	**Foreign Currency Translation Reserve $**	**Accumulated Losses $**	**Non-Controlling Interest $**	**Total Equity $**
Total equity at the beginning of the period	**27,943,247**	**4,037,117**	**1,756,818**	**(17,217,226)**	**(769,524)**	**15,750,432**
Total Comprehensive Profit / (Loss) for the period						
Profit / (Loss) for the period	-	-	-	(522,227)	(2,934)	(525,161)
Total other comprehensive income	-	-	559,000	-	-	559,000
Total Comprehensive Income / (Loss) for the period	-	-	559,000	(522,227)	(2,934)	33,839
Transactions with equity holders:						
Shares issued during the period:						
Contributions of capital	2,044,852	-	-	-	-	2,044,852
Share-based payments	-	75,632	-	-	-	75,632
Total equity at 31 December 2013	**29,988,099**	**4,112,749**	**2,315,818**	**(17,739,453)**	**(772,458)**	**17,904,755**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2014

		Consolidated	
	Note	31 December 2014 $	31 December 2013 $
Cash flows from operating activities			
Interest received		16,172	17,473
Exploration expenditure		(11,507)	(88,364)
Payments to suppliers and employees		(234,415)	(522,447)
Net cash used in operating activities		(229,750)	(593,338)
Cash flows from investing activities			
Payments for capitalised exploration expenditure	2	(49,628)	(111,076)
Net cash used in investing activities		(49,628)	(111,076)
Cash flows from financing activities			
Proceeds from the issue of shares	3	-	2,044,852
Net cash provided by financing activities		-	2,044,852
Net increase/(decrease) in cash and cash equivalents		(279,378)	1,340,438
Cash and cash equivalents at the beginning of the period		1,140,697	154,946
Effects of exchange rate changes on the balances of cash held in foreign currencies		(37)	3,272
Cash and cash equivalents at the end of the period		**861,282**	**1,498,656**

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the half-year ended 31 December 2014

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Potash Minerals Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half-year ended 31 December 2014 comprises the Company and its subsidiaries (collectively referred to as the "Group").

STATEMENT OF COMPLIANCE

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reports*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with IAS 34 *'Interim Financial Reporting'*.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

This consolidated interim financial report was approved by the Board of Directors on 12 March 2015.

BASIS OF PREPARATION

Financial Position
The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has generated a loss for the period ended 31 Dec 2014 of $104,176 (2013: $522,227), had a net working capital surplus of $849,053 (30 June 2014: 1,071,577) at 31 Dec 2014 and experienced net cash outflows from operating activities for the period of $229,750 (2013: $593,338).

The federal drilling exploration authorisation held by K2O Utah LLC expires on June 1, 2015. The Group is required to demonstrate that exploration activities have commenced by that date. If exploration activities are not expected to commence by that date, the Group is required to formally request in writing an extension for approval by February 28, 2015.

If drilling is not expected to start by June 1, 2015, to comply with US Federal regulations the Group must file for an extension, pay a processing fee and show that conditions of regulation have been met. The Group is required to describe previous diligent prospecting activities on the site and show how much additional time will be needed to complete prospecting work.

Notes to the Financial Statements (continued)
For the half-year ended 31 December 2014

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company has lodged a request for extension.

In order to continue the Company's planned exploration program or if the Project proceeds to the development phase, the Company will require further funding. Should the Company be unable to raise sufficient funds, the planned exploration program may have to be amended and the development of the project may have to be deferred.

The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows and have confidence in the Company's ability to raise additional funds if required.

The interim financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2014.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Amendments to AASBs and the new Interpretations that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
    - AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
- Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
- Part C: 'Materiality'

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of the application of AASB 1031 'Materiality' (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'

The Group has applied the amendments to AASB 10, AASB 12 and AASB 127 for the first time in the current year. The amendments to AASB 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to AASB 12 and AASB 127 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in AASB 10 as at 1 January 2014), the application of the amendments does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The Group has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Group's condensed consolidated financial statements.

Notes to the Financial Statements (continued)
For the half-year ended 31 December 2014

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The Group has applied the amendments to AASB 136 for the first time in the current year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.
The application of these amendments does not have any material impact on the disclosures in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-9 'Amendments to Australian Accounting Standards'– Part B: 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle'

The Annual Improvements 2010-2012 Cycle include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

Notes to the Financial Statements (continued)
For the half-year ended 31 December 2014

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The 'Annual Improvements 2011-2013 Cycle' include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.

The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of AASB 140; and

(b) the transaction meets the definition of a business combination under AASB 3.

Notes to the Financial Statements (continued)
For the half-year ended 31 December 2014

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Part C – 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard.

The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Note that AASB 14 'Regulatory Deferral Accounts' and AASB 2014-1 'Amendments to Australian Accounting Standards – Part D: 'Consequential Amendments arising from AASB 14' are not applicable to the Group as the Group is not a first-time adopter of Australian Accounting Standards.

Notes to the Financial Statements (continued)
For the half-year ended 31 December 2014

NOTE 2 – EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2014 $	30 June 2014 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation		
Exploration and evaluation expenditure, at cost	3,254,638	2,788,000

Reconciliation:
A reconciliation of the carrying amounts of exploration and evaluation expenditure is set out below:

	31 December 2014 $	30 June 2014 $
Carrying amount at beginning of the period	2,788,000	14,918,486
Additions	49,628	219,232
Movement due to change in foreign currency value	417,010	87,017
Impairment	-	(12,436,735)
Carrying amount at end of the period	**3,254,638**	**2,788,000**

Exploration commitments
There are no obligations on the Group to perform minimum exploration work and expend minimum amounts of money in order to maintain rights of tenure to exploration permits. As such, there is no minimum expenditure required by the Group on exploration permits during the period to 31 December 2014. Commitments beyond this time frame cannot be estimated reliably as minimum expenditure requirements are reassessed annually. Commitments beyond this time frame have not been provided for in the financial report.

In order to continue the Group's planned exploration program or if one of the projects proceeds to the development phase, the Group will require further funding. Should the Group be unable to raise sufficient funds, the planned exploration program may have to be amended and the development of the project may have to be deferred.

NOTE 3 - ISSUED CAPITAL & RESERVES

	#	$
CONSOLIDATED AND PARENT ENTITY 2014	**Ordinary Shares**	
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	**97,115,915**	**29,989,494**
(b) Movements in fully paid shares on issue		
Opening balance 1 July 2014	97,115,915	29,989,494
Balance as at 31 December 2014	**97,115,915**	**29,989,494**
(c) Share Options	**Options**	
Opening Balance at 1 July 2014	54,620,948	4,127,440
Options issued under ESOP [(a)]	-	4,306
Expiry of Options	(6,400,000)	(4,131,746)
Balance as at 31 December 2014[(b)]	**48,220,948**	**-**

(a) Unlisted options issued in prior periods with expense recognised over period of vesting.
(b) Listed options exercisable at 20 cents each and expiring on 30 November 2015.

NOTE 4 – SEGMENT REPORTING

Description of segments
The Group's reportable operating segments are as follows:

1. Potash Exploration Segment (USA); and
2. All Other Segments, which includes the corporate & administration segment and for the comparative period only, the iron-ore and gold exploration segment (Australia).

The Group's operating segments have been determined with reference to the information used by the chief operating decision maker to make decisions regarding the Group's operations and the allocation of the Group's working capital. Due to the size and nature of the Group's business, the Board as a whole has been determined as the chief operating decision maker.

The segments disclosed in the table below have been identified as operating segments that meet any of the following thresholds:

- Segment loss greater than 10% of combined loss of loss making operating segments; and
- Segment assets greater than 10% of combined assets of all operating segments.

Each of the Company's operating segments operates in separate geographical locations, as disclosed above.

Once reportable segments have been identified, all remaining segments that do not satisfy the thresholds are to be aggregated together to form an all other segments reporting segment. In accordance with AASB 8 *Segment Reporting* corporate and administration activities are to be included in the all other segments reporting segment.

NOTE 4 – SEGMENT REPORTING (CONTINUED)

Segment Information

The following table presents the revenue and profit information regarding the segment information provided to the Board of Directors for the half-year periods ended 31 December 2014 and 31 December 2013.

	Potash Exploration $	All Other Segments $	Consolidated $
31 December 2014			
Segment revenue	-	16,172	16,172
Segment result	(5,790)	(98,937)	(104,727)
Unallocated expenses			-
Results from operating activities			(104,727)
Less: discontinued operation			-
Results from continuing operations			(104,727)
Segment assets	3,549,684	1,215,242	4,764,926
Segment liabilities	1,884	23,946	25,830
Included within segment result:			
Depreciation	-	-	-
Interest revenue	-	16,172	16,172
Income tax / (benefit) expense	-	-	-
31 December 2013			
Segment revenue	-	17,473	17,473
Segment result	(29,413)	(495,748)	(525,161)
Unallocated expenses			-
Results from operating activities			(525,161)
Less: discontinued operation			-
Results from continuing operations			(525,161)
Segment assets	15,864,173	2,105,019	17,969,192
Segment liabilities	47,511	16,926	64,437
Included within segment result:			
Depreciation	-	688	688
Interest revenue	-	17,473	17,473
Income tax / (benefit) expense	-	-	-

Notes to the Financial Statements (continued)
For the half-year ended 31 December 2014

NOTE 5 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of entity	Principal activity	Country of incorporation	Ownership Interest December 2014 %	Ownership Interest June 2014 %	Carrying Value December 2014 $	Carrying Value June 2014 $
Associated entities						
Radar Iron Ltd	Iron-ore exploration	Australia	17.16%	23.0%	-	259,991

During the reporting period, Potash Minerals' investment in Radar Iron Ltd was diluted to 17.16% and as such has been reclassified from an associated entity accounted for under the equity method to an available-for-sale financial asset accounted for at fair value in accordance with AASB 139.

Carrying Value of Investments accounted for using the equity method	Consolidated 31 December 2014 $	Consolidated 30 June 2014 $
Opening balance	259,991	635,337
Share of net profit/(loss) of associates accounted for using the equity method	307,274	(375,346)
Reclassification of investment in Radar Iron	(567,265)	-
Closing balance of investment in associated entities	**-**	**259,991**

NOTE 6: OTHER FINANCIAL ASSETS

Non-current

	Consolidated 31 December 2014 $	Consolidated 30 June 2014 $
Available-for-sale financial assets carried at fair value *(i)*:		
• Listed shares	340,359	-
Total	**340,359**	-
Opening balance	-	-
Reclassification of investment in Radar Iron	567,265	-
Impairment of available-for-sale financial assets(ii)	(226,906)	-
Closing balance of investment in associated entities	**340,359**	-

(i) Available-for-sale financial assets consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.

(ii) Due to a significant drop in the value of the Company's investment in Radar Iron Ltd, the movement in the fair value has been impaired in accordance with AASB 139 Financial instruments: recognition and measurement.

Notes to the Financial Statements (continued)
For the half-year ended 31 December 2014

NOTE 7 – RELATED PARTY TRANSACTIONS

Armada Capital Limited, a corporate advisory company of which Mr Ananda Kathiravelu is the Managing Director, provided investor relations and marketing support to the Company on normal commercial terms and conditions and at market rates during the period.

A total amount of $24,000 (GST exclusive) was paid to Armada Capital Limited during the half year ended 31 December 2014 (31 December 2013: $12,000) which was subsequently paid.

Other than mentioned above, arrangements with related parties continued during the period. For details of these arrangements please refer to the 30 June 2014 Annual Financial Report.

Other related party transactions are in the form of short term employee benefits, post-employment benefits, share based payments and loans to subsidiaries.

NOTE 8 – CONTINGENT LIABILITIES

There has been no change in contingent assets or liabilities since the last annual reporting date.

NOTE 9 –SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company or Group, the results of those operations or the state of affairs of the Company and Group in subsequent financial years.

Directors' Declaration

In the opinion of the directors of Potash Minerals Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
   a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   b. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the board

Ananda Kathiravelu
Non-Executive Chairman
Perth
12 March 2015

Independent Auditor's Review Report to the members of Potash Minerals Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Potash Minerals Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, notes comprising a summary of accounting policies, other explanatory notes 1 to 9, and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the interim period.

Directors' Responsibility for the Interim Financial Report

The directors of the Group are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine are necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Potash Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the C*orporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Potash Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Potash Minerals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the period ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Nexia Perth Audit Services Pty Ltd

PTC Klopper
Director

Perth
12 March 2015