



# ASX Announcement

11 May 2015

## COMPANY DETAILS

**ABN:** 62 147 346 334

### **PRINCIPAL AND REGISTERED OFFICE**

Potash West NL  
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### **ASX CODE**

PWN

### **FRANKFURT CODE**

A1JH27

### **OTC PINK**

PWNNY

### **CORPORATE INFORMATION**

(20 April 2015)

201M Ordinary fully paid shares  
36M Ordinary partly paid shares  
5M Unlisted Options

### **BOARD OF DIRECTORS**

**Adrian Griffin**  
(Non-Executive Chairman)  
**Patrick McManus**  
(Managing Director)  
**Gary Johnson**  
(Non-Executive Director)  
**Chew Wai Chuen**  
(Non-Executive Director)

## **SOUTH HARZ POTASH PROJECT TO RECEIVE MAJOR FUNDING BOOST**

### **Highlights:**

- **Agreement to sell 100% of the South Harz project to an ASX listed company, Petratherm Limited (subject to due diligence ASX and Petratherm shareholder approval)**
- **Petratherm to be reconstructed and recapitalised**
- **Transaction supported by Taylor Collison which will raise \$4 to \$4.5M.**
- **Funding to be applied to drilling on targets identified in Geological Review released to ASX by Potash West on 4 March 2015**
- **Potash West shareholders to have a priority entitlement to \$1M**
- **Potash West to own 26% of Petratherm, post capital raising, subject to amount raised.**

Potash West NL ('**Potash West**' or '**the Company**') advises that a binding term sheet has been executed between East Exploration Pty Ltd and Petratherm Limited, an ASX listed company (**PTR**).

Potash West own 55% of East Exploration Pty Ltd (**EE**), with the balance held privately. EE is the registered owner of the South Harz project, comprising two exploration licences, Küllstedt and Grafentonna, in Thuringia, Central Germany. All owners have agreed to the sale, in return for shares in Petratherm.

EE shareholders will receive 55 million fully paid ordinary PTR shares, plus 110 million performance shares, which will convert to ordinary shares on achieving pre-determined project milestones. Potash West will receive 30.25 million shares, expected to be 26% of the recapitalized Petratherm.

Further details are included in PTRs release to the ASX today.

## South Harz Project

East Exploration holds exploration licences having an area of nearly 450km<sup>2</sup> in the southwestern edge of the South Harz Potash District in central Germany (Figure 1). The K llstedt Exploration Licence extends over 241km<sup>2</sup> while the Gr fentonna Exploration Licence has an area of 216km<sup>2</sup>. Both licences are located in the northwestern part of the Federal State of Thuringia, bordering the city of M hlhausen to the south ( figure 1).

East Exploration commissioned ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau GmbH (ERCOSPLAN) to carry out a review of all the geological data relating to the K llstedt licence and to estimate an Exploration Target for the area. This was reported to ASX by Potash West (PWN) in an ASX release dated 4 March 2015. The ERCOSPLAN technical report is available on the PWN website.

Potash was mined within the K llstedt Exploration Licence between 1912 and 1924. Three shafts were operational extracting potash from depths between 835 m and 860 m below the surface. The shafts were put on care and maintenance in 1924 as part of a policy of rationalising the potash mining industry in the region and ultimately closed and rehabilitated in 2000.

A total of 34 drillholes were drilled in the K llstedt licence, and its immediate surrounds, in the period 1960 to 1980. Historical resource estimates were carried out in 1964 and 1980. The distribution of potash salts in the Kullstedt area has been well documented through over a century of past exploration and mining and the geology of the area is well understood. The Company is particularly encouraged by the extent of potential mineralisation within the licence area and by the fact that it has been the site of successful potash mining operations in the past.

Planning for a confirmatory drilling programme is now in progress with our consultants and will be finalised in the next few months. The drilling programme will target areas of thick mineralisation at shallower depths.

Potash Wests Managing Director, Patrick McManus said “This transaction is a major step forward for Potash West and our shareholders. The South Harz project will now have a focused, and well resourced team to take it forward.”

“Whilst maintaining a significant exposure to South Harz, the Company can continue to progress its other projects: The Dinner Hill project in the Dandaragan Trough and its ground-breaking extraction technologies, the 100% owned K-Max technology and the 25% owned Li-Max technology.”

For further information contact:

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**About Potash West**

*Potash West (ASX:PWN) is an exploration company focused on developing phosphate and potassium-rich greensand deposits in West Australia's Perth Basin. The Company aims to define a substantial resource base and investigate how best to recover potash from the mineral. 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 fertiliser market at a time of heightened demand.*

*The Company has a major land holding over one of the world's largest known glauconite deposits, with exploration licenses and applications covering an area of more than 2,500km<sup>2</sup>. Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 30km in width.*

*The company has 55% of a potash exploration project in the South Harz region of Thuringia, in Central Germany. The region has been a potash producing area for over 100 years.*

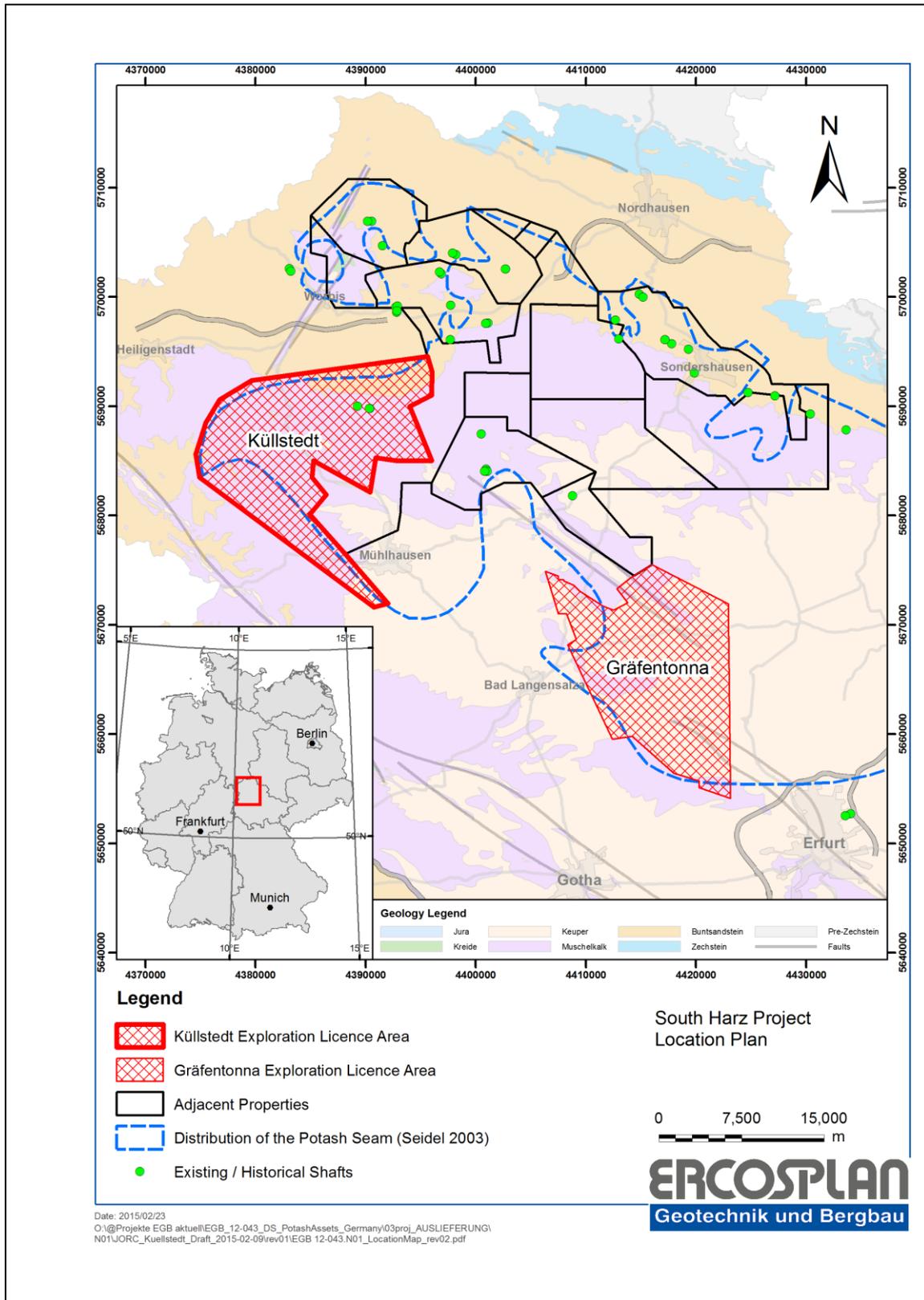


Figure 1: South Harz Project location plan