



ASX Announcement

31 July 2015

COMPANY DETAILS

ABN: 62 147 346 334

PRINCIPAL REGISTERED OFFICE

Potash West NL
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ASX CODE

PWN

FRANKFURT CODE

A1JH27

OTC PINK CODE

PWNNY

CORPORATE INFORMATION

(31 July 2015)
218 M Ordinary shares
36M Partly paid shares
5M Unlisted options

BOARD OF DIRECTORS

Adrian Griffin
(Non-Executive Chairman)

Patrick McManus
(Managing Director)

Chew Wai Chuen
(Non-Executive Director)

Natalia Streltsova
(Non-Executive Director)

JUNE 2015 QUARTERLY REPORT

HIGHLIGHTS

Australia

- **Substantial increase in the phosphate Mineral Resource at Dinner Hill, tonnage increase 109%, grade increase 4%.**
- **Further potential exists to extend potash and phosphate Mineral Resources to the south and east of the current resources**
- **Feasibility studies to commence on Dinner Hill phosphate project. Planning in progress**
- **Continuous production of lithium carbonate achieved in L-Max mini-plant**

Germany

- **Planning in progress for confirmatory drilling on Küllstedt at South Harz project.**

AUSTRALIA

Dandaragan Trough Project

Potash West NL ("Potash West" or "the Company") has continued to advance the Dinner Hill Potash and Phosphate Deposit, located some 200km north of Perth in Western Australia, Figure 1. Dinner Hill forms part of the larger Dandaragan Trough landholding having an area of over 2,600km². Sedimentary rocks within the trough contain glauconite, a potash rich mica, and phosphate nodules. The objective is to produce potash and phosphate fertilisers and a range of valuable by-products from the glauconite and phosphate present within the sediments of the Dandaragan Trough.

During the quarter results from previous work and drilling completed in March 2015 were used to update the Potash and Phosphate Mineral Resources for the Dinner Hill Project (ASX release 03 June 2015). Following this work an updated Exploration Target was estimated for sparsely drilled mineralisation east and south of the current resource area (ASX release 22 July 2015).

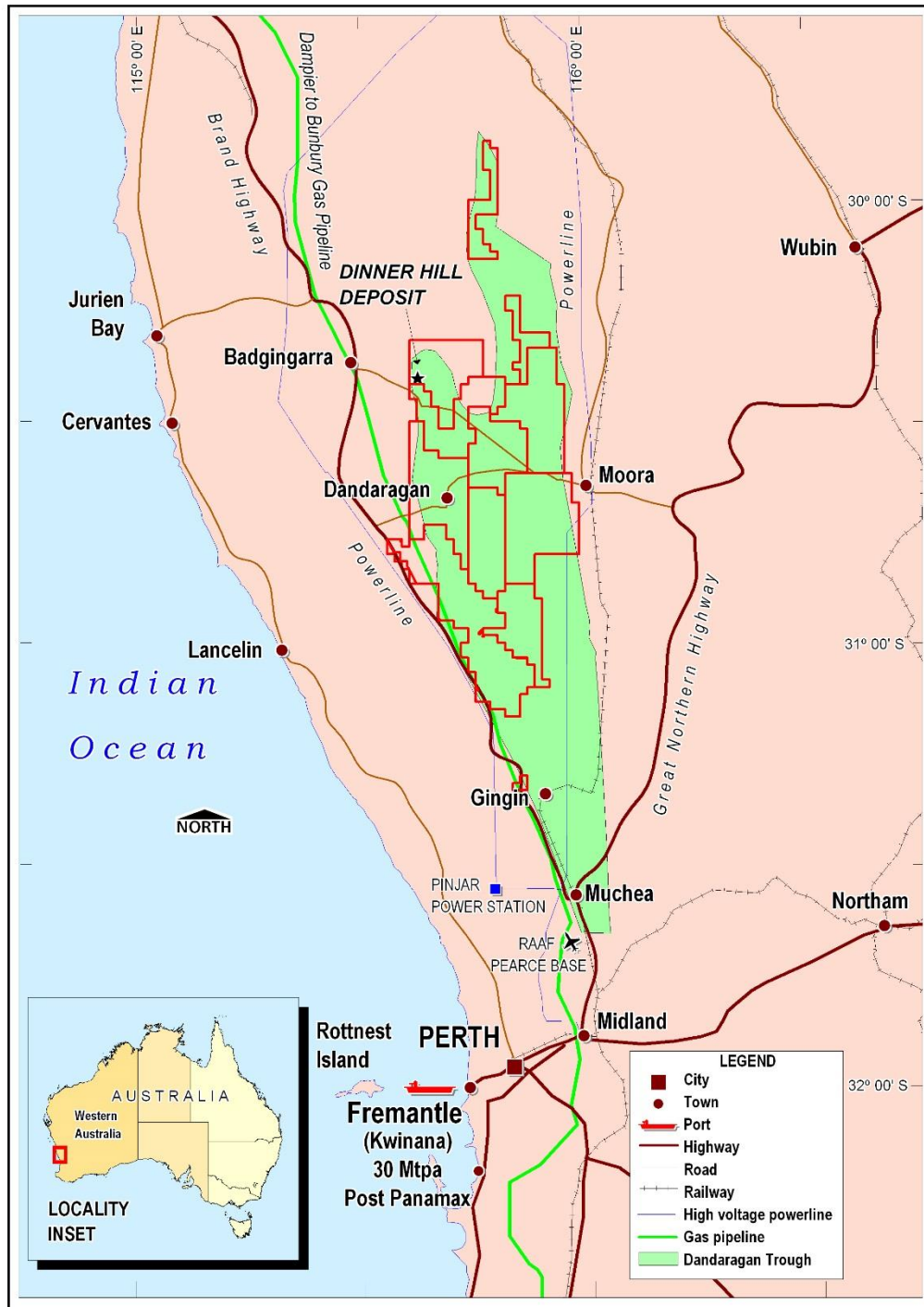


Figure 1: Location plan, Dandaragan Trough Project

Mineral Resource Update

The resource update uses drilling carried out in 2014 and 2015 comprising an additional 90 aircore drill holes for 2732m. The resource now covers an area of some 27 km². Higher grade phosphate mineralisation is continuous to the north within the area of the new drilling significantly upgrading the inventory in both tonnes and grade, compared with the phosphate resource estimate published in 2014, (ASX release 20 March 2014). These results will form the basis of pit design and mine scheduling studies carried out as part of the planned feasibility study into phosphate production at Dinner Hill, set to begin in the third quarter of 2015.

Dinner Hill Deposit Resource Summary¹

Resource	Category	Tonnes (Mt)	P ₂ O ₅ (%)	K ₂ O (%)
Phosphate	Indicated	250	2.9	
Potash				
Potash resources included within the phosphate resource area	Indicated	155		4.1
	Inferred	20		2
	Totals	175		3.8
Potash resource outside the phosphate resource area	Indicated	18		3.8
Total Potash Resources	Indicated	175		4.2
	Inferred	20		2
	Totals	195		3.8

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

1 – ASX (ASX release 03 June 2015).

Exploration Target Update

Mineralisation within the Dinner Hill Phosphate and Potash Deposit extends over some 70km² to the south and east of the recently re-estimated Phosphate and Potash Mineral Resources (ASX release 03 June 2015). The updated Exploration Target estimate, (ASX release 22 July 2015) reflects changes to the original Exploration Target (ASX release 07 May 2013) as a result of the additional drilling and the updated Mineral Resource estimate.

The Exploration Target for the Dinner Hill project is 1.2 billion tonnes to 1.8 billion tonnes of greensand containing potash mineralisation at a grade of between 3.5% and 4% K₂O. This partially includes 550 million tonnes to 800 million tonnes of phosphate mineralisation at a grade of between 2% and 2.8% P₂O₅.

The potential quantity and grade of the target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource over its area and as it is uncertain if further exploration will result in the estimation of a Mineral Resource

The location of Dinner Hill resource and the potash and phosphate Exploration Target areas are shown in figures 2 and 3.

Within the central section of the Exploration Target (between about 6,630,000N and 6,636,500N in figure 2) the contained potash mineralisation is of higher grade, between 4% and 4.6% K₂O. North of 6,637,500N in figure 3, phosphate grades are higher ranging from 4% to 5% P₂O₅, with the mineralisation attaining an average thickness of about 9m.

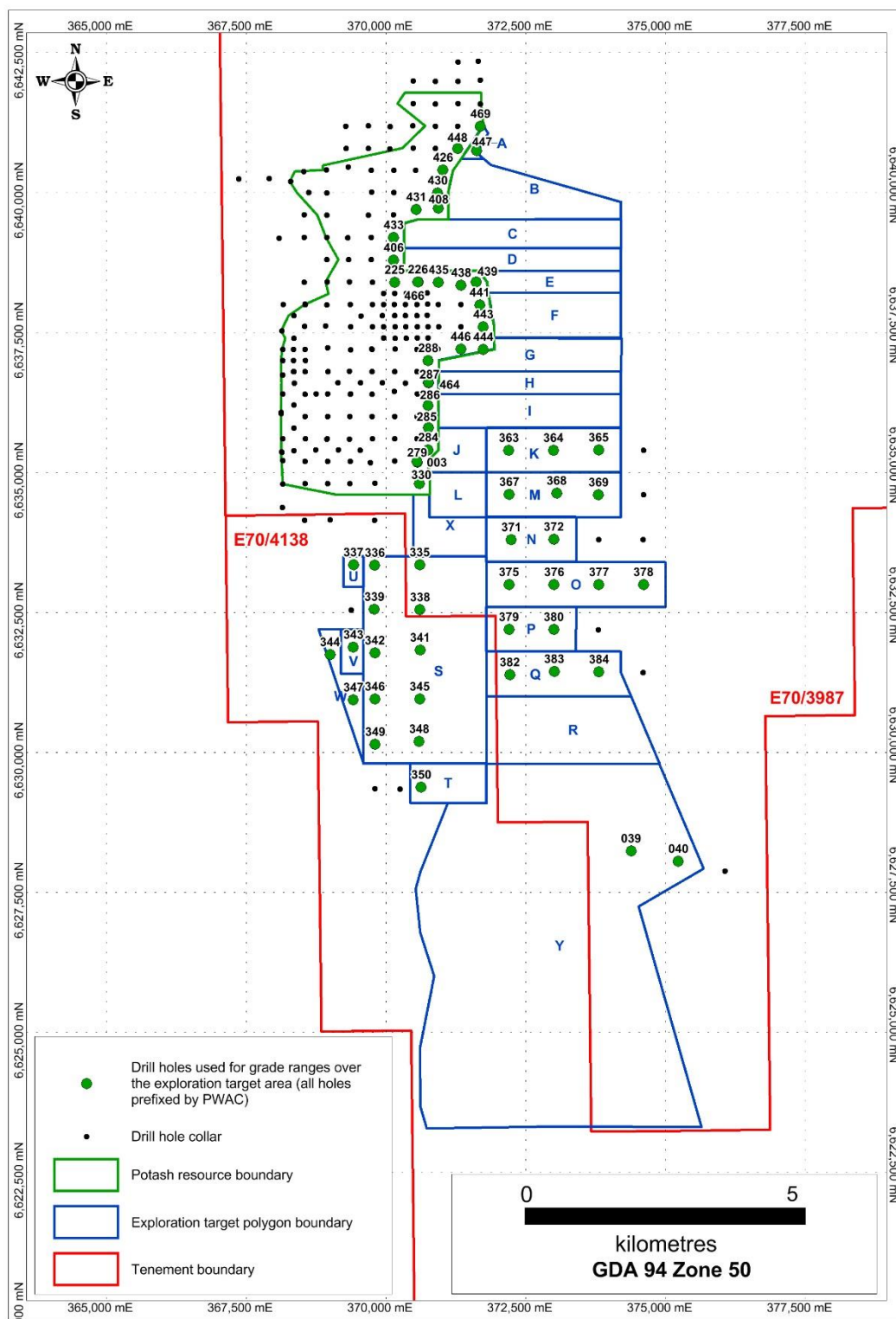


Figure 2: Dinner Hill Potash Exploration Target Area and Blocks showing drill-holes used for estimation



The Dandaragan Trough project has unique advantages of excellent connectivity to transport facilities, infrastructure and proximity to local and regional markets. The Dinner Hill resource is located less than 200km from two major bulk export ports, Kwinana and Geraldton and is well situated in relation to major project infrastructure.

Dinner Hill Scoping Study

A revision of the mining plan is in progress, using the updated resource. This will form the basis of a revised financial model, which will be completed in the September quarter.

Technology

The K-Max process has been developed by our technology partners, Strategic Metallurgy (SM). The development was financed by the Company and the IP is 100% owned by Potash West. SM have built upon the K-Max technology and developed an innovative process to extract Lithium from micas such as Lepidolite and Zinnwaldite.

SM has licensed the technology to Cobre Montana (ASX:CXB) (refer CXB announcement 26 September 2014). Cobre Montana is pursuing opportunities to use the technology to meet the demands of a rapidly growing Lithium market. SM is also investigating other avenues to commercialise its Lithium extraction technology.

In recognition of the importance of the K-Max process as a base for Lithium extraction, SM has agreed to vest 25% ownership of the Lithium technology to Potash West. PWN and SM will work together to maximize the value of this IP to the benefit of both parties.

GERMANY

South Harz Project

The Company has earned a 55% interest in a company, East Exploration Pty Ltd (EE), which holds exploration licences in the South Harz region of Germany, (Figure 4). The South Harz region has a long history of potash mining, dating back to the late 1890s. Extensive exploration work and R&D was carried out in the period from the 1960s to the 1980s. This confirmed that substantial potash deposits in the form of sylvinite (KCl/NaCl) and carnallite (KCl/MgCl) still remain in this region.

A review of some the archived exploration data relating to historical drilling on Küllstedt has been completed and an Exploration Target estimated, as shown below.

The potential quantity and grade of the Exploration Target is conceptual in nature, as there has been insufficient exploration to estimate a Mineral Resource over its area and as it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Küllstedt Exploration Target			
Tonnage (MMT) ¹	Grade Range %K ₂ O ²	Grade Range %KCl ³	Potash (K ₂ O) Tonnage (MMT) ⁴
4,055 – 5,141	7.2 - 25	11.8 - 41	292 – 1,285

1 - The volume of the potash seam was estimated from the geological model which has been constructed using historical drillhole data. The tonnage was derived from the style of mineralisation and its characteristic density which can vary between 1.83 t/m³ and 2.32 t/m³. This amounts to a tonnage range of between 4,055 million metric tonnes and 5,141 million metric tonnes of mineralized rock.

2 – The grade range was estimated from assayed drill intersections of the potash seam which range from 7.2% to 25% K₂O

3 – Conversion of assay K₂O to KCl product multiply by 1.6393

4 - The tonnages of K₂O were obtained by multiplying the tonnage of mineralized material with the corresponding K₂O grade of the potash seam, which range from 7.2% to 25%. Accordingly, the minimum K₂O tonnage is 292 million metric tonnes and the maximum K₂O tonnage is 1,285 million metric tonnes

A more detailed report is contained within the ASX announcement of 4 March 2015. Planning is in progress for a verification drilling program which is expected to consist of a 3 to 4 confirmatory holes which could allow reporting of a JORC compliant inferred resource.

The Company, and the other owners of East Exploration, opened negotiations with Petratherm Limited (ASX:PTR) on 11 May 2015. The objective was to sell 100% of East Exploration into Petratherm, in return for shares. This did not eventuate and discussions ceased in June (ASX announcement 12 June 2015)

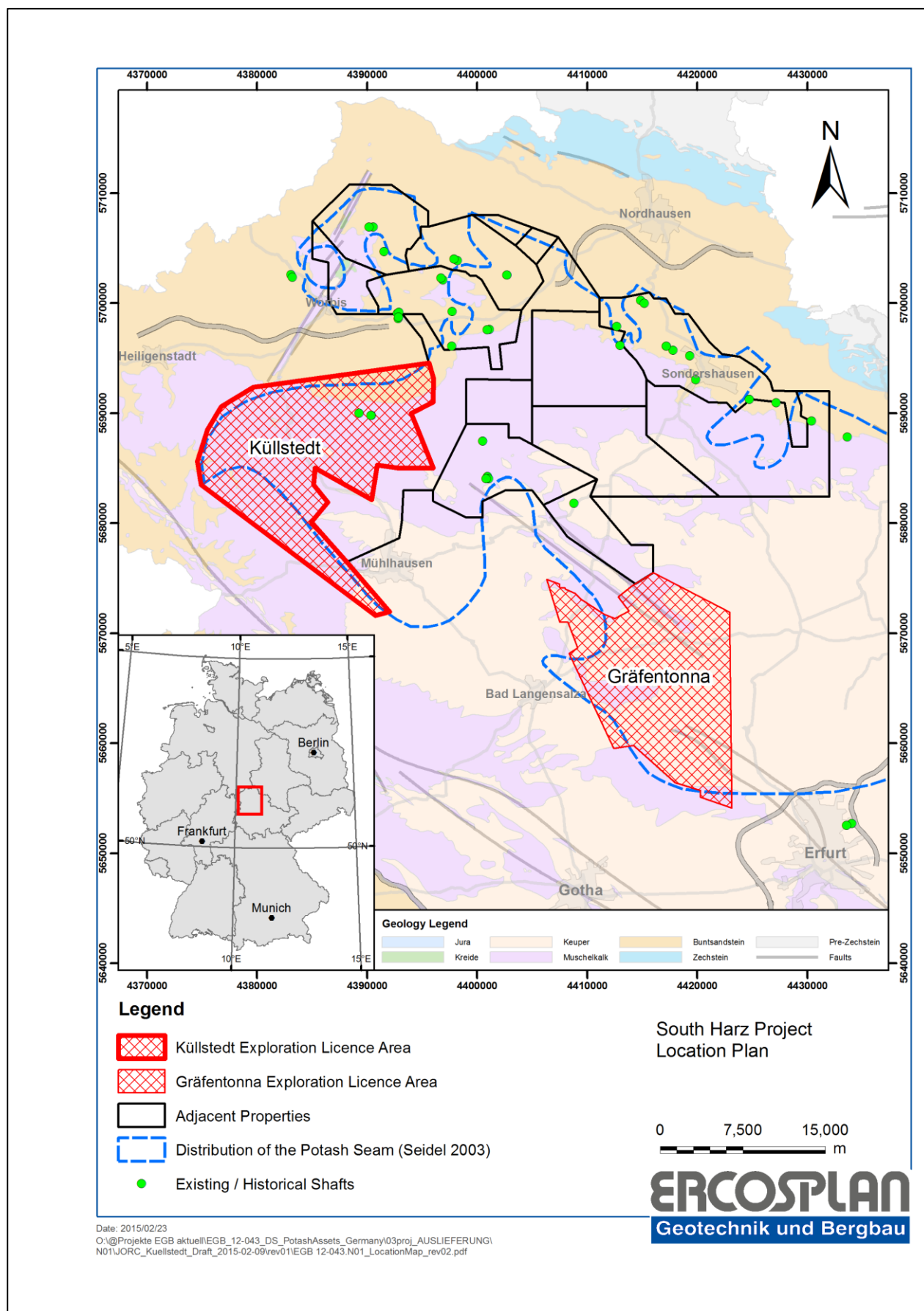


Figure 4: South Harz Project Location

CORPORATE

Potash West shares commenced trading on the Frankfurt Stock Exchange during the quarter, under the stock code A1JH27.

Mr. Gary Johnson stepped down as NED during the quarter. Mr. Johnson is the majority owner of Strategic Metallurgy, which has carried out process development activities for Potash West, and has developed an innovative process for lithium production. Gary and his team have been a significant asset in our process development. His resignation will:

- Allow Mr. Johnson to focus on development of the lithium technology, jointly owned by Strategic Metallurgy and Potash West (refer ASX announcement 27 February 2015).
- Avoid conflicts of interest in the commercialization of this technology.

Announcements

The following ASX announcements were made during the quarter:

- 30/06/2015 Director Change, Appendix 3Z and 3Y
- 25/06/2015 Completion of \$1.8m Placement
- 23/06/2015 Trading Halt
- 22/06/2015 Resource Roadhouse Article
- 12/06/2015 PWN East Exploration Update
- 11/06/2015 Question and Answer Session
- 03/06/2015 PWN Significant Increase in Resources at Dinner Hill Project
- 21/05/2015 Successful Commissioning World First L-Max Mini-Plant
- 15/05/2015 Potash West RIU Sydney Resources Round Up Interview
- 12/05/2015 Updated Investor Presentation
- 12/05/2015 Investor Presentation
- 11/05/2015 PTR: Agreement to Acquire Potash Project
- 11/05/2015 South Harz Potash Project To Receive Major Funding Boost
- 07/05/2015 Trading Halt
- 24/04/2015 Quarterly Activities and Cashflow Reports
- 20/04/2015 Inclusion in German Investment Newsletters
- 20/04/2015 PWN Frankfurt Listing
- 17/04/2015 Analyst Coverage - Arrowhead Report
- 14/04/2015 s708A Notice, Appendix 3B & 3Y's

The following announcements were made subsequent to 30 June 2015:

- 06/07/2015 s708A Notice, LR3.10.5A Notice and Appendix 3B
- 06/07/2015 s708A Notice and Appendix 3B
- 22/07/2015 Exploration Target Update

Cash on Hand

At 30 June 2015, \$1.5 million cash was available. \$0.4 M, before costs, was raised in late June and the balance of \$1.4M subsequent to 30 June 2015.

Tenement Summary

The following information is provided in accordance with ASX Listing Rule 5.4.3:

Country	Tenement	Tenement Interest held at 1 January 2015	Interest acquired / disposed of during quarter	Tenement Interest held at 31 March 2015
WA	E70/3418	100% ⁽¹⁾	N/A	100%
WA	E70/3987	100% ⁽¹⁾	N/A	100%
WA	E70/3988	100% ⁽¹⁾	N/A	100%
WA	E70/3989	100% ⁽¹⁾	N/A	100%
WA	E70/4124	Pending	N/A	Pending
WA	E70/4137	100%	N/A	100%
WA	E70/4138	100%	N/A	100%
WA	E70/4139	100%	N/A	100%
WA	E70/4471	100%	N/A	100%
WA	E70/4609	0%	100%	100%
WA	E70/4687	Pending	N/A	Pending

(1) Denotes Beneficial holding of the Mineral Rights to Glaucinite & Phosphate, and any byproducts resulting

For further information contact:

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About Potash West

Potash West (ASX:PWN) is an exploration company focused on developing large greensand deposits in West Australia's Perth Basin. The Company aims to define a substantial resource base and investigate how best to recover potash and other minerals from the Dandaragan Trough. 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 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 2,600km². Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 30km in width. Current JORC compliant Indicated Mineral Resources stand at 250Mt at 2.9% P₂O₅ of phosphate mineralisation and 175Mt at 4.2% K₂O, amenable to processing by the K-Max process.

Competent Person's Statement:***Dandaragan Trough Project***

The production targets and other information in this announcement that relate to Mineral Resources, and Exploration Targets are based on, and fairly represent, the Mineral Resource and Exploration Target information and supporting documentation extracted from the reports which have been prepared by a Competent Person in compliance with the JORC Code (2012) and released to ASX by the Company on 03 June 2015 and 22 July 2015. Potash West confirms that it is not aware of any new information or data that materially affect the information included in the original announcements. All material assumptions and technical parameters underpinning both the Mineral Resource estimate and the Exploration Target in those previous ASX releases continue to apply and have not materially changed.

South Harz Project

The information in this announcement that relates to an Exploration Target is based on, and fairly represents, the information and supporting documentation extracted from the report which was prepared by a Competent Person in compliance with the JORC Code (2012) and released to the ASX by the Company on 04 March 2015. Potash West confirms that it is not aware of any new information or data that materially affect the information included in the original announcement. All material assumptions and technical parameters underpinning the Exploration Target estimate in that previous ASX release continue to apply and have not materially changed.

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 West NL

ABN

62 147 346 334

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(127)	(662)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	3	24
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (Government grant and R&D refund)	-	-
	Net Operating Cash Flows	(506)	(2,159)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(125)	(325)
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)		
	Net investing cash flows	(125)	(325)
1.13	Total operating and investing cash flows (carried forward)	(631)	(2,484)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(631)	(2,484)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	379	4,100
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 (Equity Raising Costs)	(2)	(250)
	Net financing cash flows	377	3,850
	Net increase (decrease) in cash held	(254)	1,366
1.20	Cash at beginning of quarter/year to date	1,784	164
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,530	1,530

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	113
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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

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

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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

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+ 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	300
4.2 Development	
4.3 Production	
4.4 Administration	300
Total	600

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	1,530	2,292
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,530	2,292

+ See chapter 19 for defined terms.

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	E70/3360	EXPIRY	100%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E70/4609	GRANT	0%	100%

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	Preference			
	+securities			
	(description)			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	200,929,615 35,960,024	200,929,615 35,960,024	Fully paid \$0.05 Fully paid \$0.001
7.4	Changes during quarter			
	(a) Increases through issues	473,402	473,402	\$0.045
	(b) Decreases through returns of capital, buy-backs	20,913	20,913	\$0.048
		31,250	31,250	\$0.040
7.5	+Convertible debt securities			
	(description)			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	100,000	-		\$0.400	8 September 2016
	100,000	-		\$0.600	8 September 2016
	1,350,000	-		\$0.355	13 November 2015
	1,000,000	-		\$0.130	25 October 2015
	500,000	-		\$0.150	7 February 2017
	1,992,188	-		\$0.087	6 November 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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: Patrick McManus Date: 31 July 2015
(Director/Company secretary)

Print name: Patrick McManus

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash

+ See chapter 19 for defined terms.

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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