

ASX Announcement

20 August 2015



COMPANY DETAILS

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ASX CODE

PWN

FRANKFURT CODE

A1JH27

OTC PINK

PWNNY

CORPORATE INFORMATION

(20 August 2015)

230M Ordinary fully paid shares
36M Ordinary partly paid shares
5M Unlisted Options

BOARD OF DIRECTORS

Adrian Griffin
(Non-Executive Chairman)
Patrick McManus
(Managing Director)
Natalia Streltsova
(Non-Executive Director)
Chew Wai Chuen
(Non-Executive Director)

AMENDED RELEASE: ASX LISTING OF DAVENPORT RESOURCES LIMITED TO PROVIDE FUNDING TO ADVANCE SOUTH HARZ POTASH EXPLORATION.

The ASX release of 18 August 2015 has been amended to address some issues of JORC 2012 reporting regarding Exploration Targets. This is the amended version.

Highlights:

- Agreement to sell 100% of East Exploration, the owner of the exciting South Harz potash project, to Davenport Pty Ltd, a wholly owned subsidiary of Arunta Resources (ASX:AJR).

Davenport intends to list on the ASX (subject to raising a minimum of \$4m AUD, meeting regulatory requirements and ASX and shareholder approval).

- Potash West and Davenport shareholders will have a priority entitlement in the capital raising.
- Funding to be applied to drilling on targets identified in Geological Review released to ASX by Potash West on 4 March 2015.
- Potash West to own 28% of Davenport, 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 (EE) and Davenport Pty Ltd ('Davenport'), a wholly owned subsidiary of Arunta Resources, an ASX listed company (AJR).

Potash West own 55% of 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 Davenport.

EE will receive \$250,000 as non-refundable option and exclusivity fees, 36,458,333 million fully paid ordinary Davenport shares at listing price of 20 cents per share, plus 67,708,334 million performance shares, which will convert to ordinary shares on achieving pre-determined project milestones. At listing, Potash West will receive 19.25 million shares, expected to be 28% of the issued capital of Davenport.

Further details are included in AJR's release to the ASX today.

Highlights for the South Harz potash project are:

- **Project located in Central Germany where world class infrastructure network is being utilised by current potash producers to get product to key markets in Europe and offshore.**
- **History of production on the licences and very long history of extensive production on neighbouring properties (100M tonnes of potash prior to 1993).**
- **Well documented previous exploration and deep understanding of the potash mineralization**
- **Extensive in country expertise with a thorough knowledge of mineralisation and production potential of the licences**
- **Potential for rapid resource definition and growth using extensive historical drilling records. Current successful regional production of both sylvinite and carnallitite close to projects.**
- **Potash mineralisation is located from a comparatively shallow depth of 511m to over 900m below the surface.**
- **Exploration Target estimated at between 4 and 5 billion metric tonnes (BMT) of mineralised rock with grades in the range 7.2% to 25% K₂O. (PWN:ASX 04 March 2015)**

The potential quantity and grade of the Exploration Target is conceptual in nature, as there has been insufficient exploration and inadequate availability of historical potash exploration results 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 South Harz Project Summary

East Exploration holds exploration licences having an area of 457km² in the southwestern edge of the South Harz Potash District in central Germany. Germany is the 5th largest potash producing country. The Küllstedt Exploration Licence extends over 241 km² while the Gräfenonna Exploration Licence has an area of 216km². Both licences are located in the north-western part of the Federal State of Thuringia, bordering the city of Mühlhausen to the south (Figure 1). A world class infrastructure network exists throughout the region and is being utilised by current potash producers, Including K+S, to get product to key markets in Europe and offshore.

A total of 34 drill holes were drilled in the Küllstedt licence, and its immediate surrounds, in the period 1960 to 1980. There is a well-documented history of production on the licences and very long history of extensive production on neighbouring properties from Sylvinitite and Carnallitite ores (100M tonnes of potash prior to 1993, and over \$20b USD in today's value). Three shafts were sunk in the Küllstedt licence extracting Potash early last century.

Historical resource estimates were carried out in 1964 and 1980. The distribution of potash salts in the Küllstedt area has been well documented through over a century of exploration and mining and the geology of the area is well understood. Planning for a confirmatory drilling programme is in progress with consultants and will be finalised in the next few months. The programme will target areas of thick mineralisation at shallower depths.

The Company is particularly encouraged by the extent of potential mineralisation within the licence areas containing both sylvinite and carnallite ores and by the fact that it has been the site of successful potash mining operations in the past. Current potash mining in the region exploits sylvinite, and carnallite, utilising both large scale underground and solution mining / extraction methods.

EE commissioned ERCOSPLAN Ingenieuresellschaft 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 achieved, with an Exploration Target estimated at between 4 and 5 Billion tonnes of mineralised rock, as shown in table 1 below:**

Table 1 - K�llstedt 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.

In the licence area the potash unit has a maximum drill defined thickness of 58m. The thickness is variable, decreasing to the west and increasing to the southeast. Potash grades intercepted in drillholes through the potash seam vary from averages of around 18% K₂O in the southwest to between 10% and 14% K₂O in the northwest of the licence. This was reported to ASX by Potash West in an ASX release dated 4 March 2015. The ERCOSPLAN technical report is available on the PWN website.

EE is working with ERCOSPLAN and other geologists familiar with the South Harz field to develop a program of work to advance the K llstedt project. ERCOSPLAN is currently engaged on ongoing work to locate and analyse detailed historical exploration records as well as define possible drill hole locations, in order to verify the historical drill hole data and to increase the chemical, mineralogical and lithological data density in the K llstedt tenement. If successful, these programs will underpin upgrades to the estimates of mineralisation. EE anticipates that all necessary planning and approvals will be complete by early 2016 with confirmation drilling and data analysis to be completed within the following 12-18 months period.

Potash West's 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."

"The review of data for K llstedt has identified several targets where drilling could validate previous exploration work, allowing a rapid path to a JORC compliant resource."

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

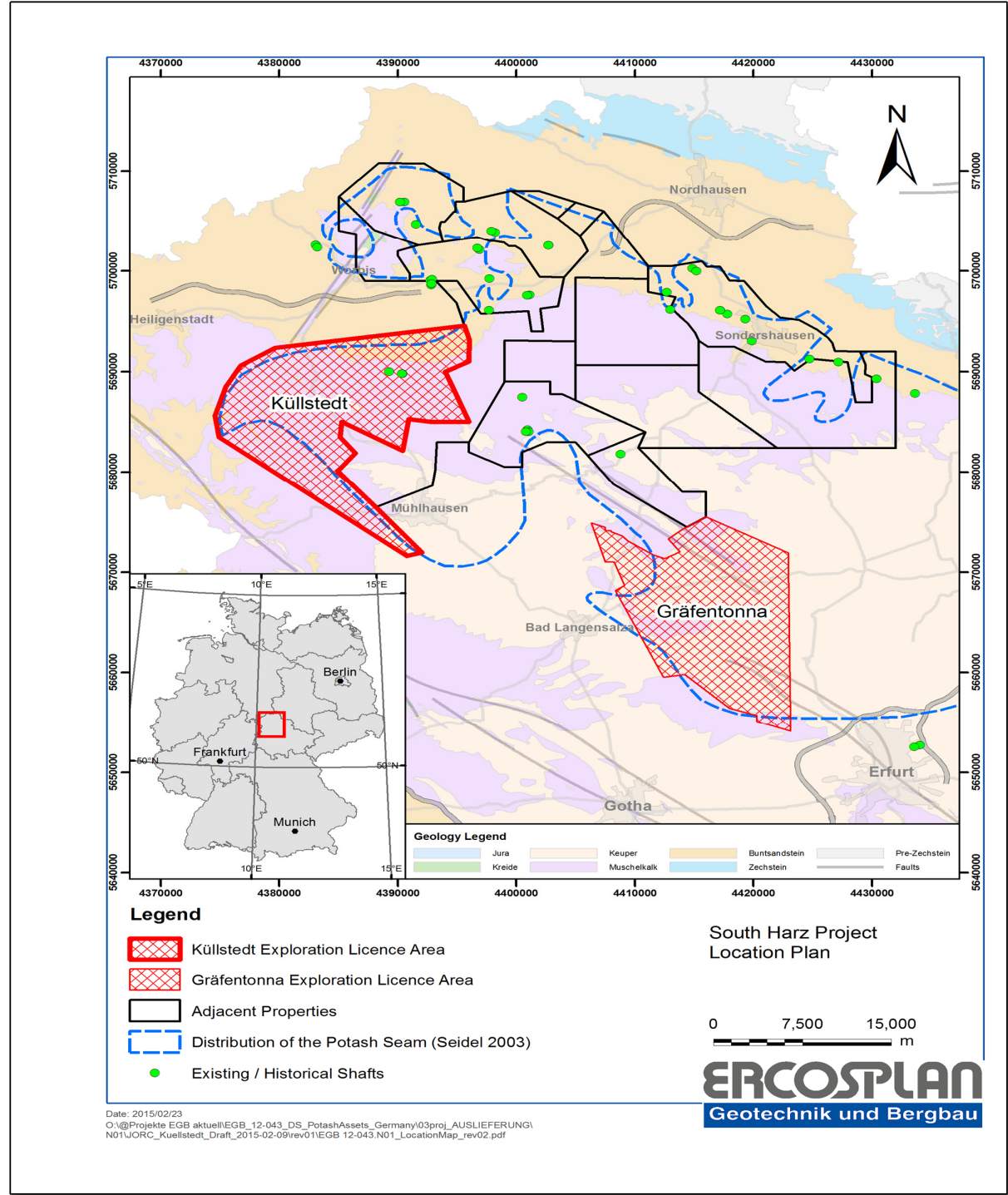


Figure 1: South Harz Project location plan

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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 phosphate and 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 2,500km². 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.

Competent Person's Statement

The information in this report that relates to Exploration Targets and Exploration Results, is based on information compiled by Andreas Jockel, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 1018) and Dr Henry Rauche, a Competent Person who is a Member of a 'Recognised Professional Organisation' (RPO), the European Federation of Geologists, and a registered "European Geologist" (Registration Number 729).

Andreas Jockel and Dr Henry Rauche are full-term employees of ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH (ERCOSPLAN). ERCOSPLAN, Andreas Jockel and Dr Henry Rauche are not associates or affiliates of East Exploration Pty Ltd, or of any associated company. ERCOSPLAN, Andreas Jockel and Dr Henry Rauche do not have any pecuniary or other interests that could reasonably be regarded as capable of affecting their ability to provide an unbiased opinion in relation to the K llstedt Exploration Licence Area.

ERCOSPLAN does not have, at the date of this Report, and has not had within the previous years, any shareholding in or other relationship with East Exploration Pty Ltd or the K llstedt Exploration Licence Area and consequently considers itself to be independent of East Exploration Pty Ltd.

Andreas Jockel and Dr Henry Rauche have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Andreas Jockel and Dr Henry Rauche consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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 Andreas Jockel and Dr Henry Rauche in compliance with the JORC Code (2012) and released to the ASX by the Company on 04 March 2015. The technical report “Final 12-043N01_JORC_Kuellstedt_2015-03-15” and subsequent market release are both available on the PWN website.

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. 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.