



POTASH MINERALS LIMITED



(08) 6380 2555



Suite 1 GF, 437 Roberts Road
Subiaco WA 6008



info@potashmin.com.au

QUARTERLY ACTIVITIES REPORT

FOR THE 3 MONTHS ENDED
30 SEPTEMBER 2015

Buddy Platform, Inc.

Recent Activities

On 20 July 2015, the Company announced that it had entered into a binding heads of agreement detailing an option to acquire 100% of the issued share capital of US-based Buddy Platform, Inc. ("Buddy"). Based in the cloud technology capital of the world – Seattle, Washington – Buddy is one of the world's first data aggregation and management platforms to focus on Internet of Things (IoT) and connected device data.

KEY ACQUISITION TERMS

- Payment of a \$250,000 option fee by Potash to acquire an exclusive twenty eight (28) day option to purchase 100% of the issued capital in Buddy. This was paid on 29 July 2015.
- A further \$250,000 is payable at the completion of Due Diligence which is 28 day from execution of the Option. On 31 August 2015, the Company confirmed completion of the due diligence and initiated payment of the second option fee.
- In exchange for 100% of the issued capital in Buddy, Potash agrees to issue 500,000,000 Potash shares to the shareholders of Buddy, which will be subject to ASX escrow provisions.
- Potash agrees at completion of the acquisition, a performance share offering will be implemented to issue to Board members and key management, in the amount of 100,000,000 performance shares. The performance shares will convert into ordinary Potash shares on the basis of achieving the following milestones:
 - One third of all Performance Shares on logging 20,000,000 total discrete connections to any Buddy server or service ("Interactions") by any approved network connected hardware or software application ("Device") per day for no less than 3 consecutive weeks within a period of 24 months.
 - One third of all Performance Shares upon the total number of devices creating an Interaction with a Buddy application that it has not previously interacted with ("New Connection") exceeding 500,000 per week for no less than three (3) consecutive weeks.
 - One third of all Performance Shares upon satisfying the following milestones within a period of 36 months:
 - total daily device interactions with the Buddy Platform exceed 50,000,000 per day for no less than 3 consecutive weeks; and
 - total number of devices creating new connections to Buddy exceeding 1,000,000 per week for no less than 3 consecutive weeks.



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- Subject to shareholder approval, Potash agrees to put in place an employee incentive rights plan in the amount of 100,000,000 employee rights, which will be allocated to current and future employees at the discretion of the Board of Directors.

Conditions precedent for the completion of the acquisition will include Potash obtaining all regulatory and shareholder approvals as required:

- To issue the consideration shares, performance shares and employee incentive plan rights;
- To roll-over existing Buddy options into Potash options on an equivalent value basis;
- To approve a change to its' business from a mineral exploration company to a technology company;
- To change the name of Potash to Buddy Limited;
- To issue shares in Potash under a capital raising in an amount sufficient for Potash to re-comply with Chapters 1 and 2 of the ASX Listing Rules;
- Each party (Potash and Buddy) completing financial and legal due diligence on the other, and the results of the due diligence being to the satisfaction of both parties;
- Potash preparing a prospectus for a capital raising sufficient to enable Potash to be reinstated to quotation on the ASX, lodging the prospectus with the Australian Securities and Investments Commission (ASIC) and receiving sufficient applications to meet the minimum subscription under the prospectus; and
- Potash receiving a letter from the ASX confirming that it will re-instate Potash to trading on the ASX following compliance with Chapters 1 and 2 of the ASX Listing Rules, with the terms of the letter acceptable to Potash and Buddy.

Completion of the acquisition will also be conditional upon Potash being satisfied that Buddy has received all necessary consents and approvals from its security holders and relevant regulatory bodies required in order to ensure that Potash will hold 100% of the issued capital in Buddy following completion of the acquisition. If this condition is not satisfied and Buddy terminates the agreement, Buddy must repay \$200k of the option fee paid to it by Potash.

Potash will also issue the following options in connection with the acquisition:

- 30,000,000 options to acquire Potash shares exercisable at a 25% premium to the price of shares issued under the public offer (described below) on or before 30 November 2017; and
- 12,500,000 options to acquire Potash shares exercisable at \$0.03 on or before 30 November 2017.

Subject to the receipt of shareholder approval, Potash will also undertake a capital raising of A\$7,500,000 to be completed under a prospectus. All funds raised would be employed towards the business development of Buddy.

On 7 October 2015, the Company lodged its Notice of Annual General Meeting, which included resolutions to ratify the acquisition of Buddy Platform, Inc.



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Hatch Point Potash Project

Recent Activities

The Company continues to hold the Utah State Leases awarded to the Company on which K2O Utah completed a drilling program in 2012-2013.

The Company will provide an update as to its operations in the US as soon as practicable.

Radar Iron Investment

The company currently holds 22,690,612 shares in Radar Iron Limited. For further information regarding Potash Minerals' investment in Radar Iron Limited (RAD), visit Radar Iron's website www.radariron.com.au.

Corporate

The Company had a cash balance of \$271,000 at the end of the quarter.

ASX Announcements

The Company made the following announcements during the quarter.

Date	Announcement
07/10/2015	Notice of Annual General Meeting
29/09/2015	Corporate Governance Statement
29/09/2015	Appendix 4G
29/09/2015	2015 Annual Report
28/09/2015	Response to Price Query
31/08/2015	Request to be removed from Trading Halt
31/08/2015	Due Diligence Complete
28/08/2015	Request for Trading Halt
28/08/2015	Trading Halt
04/08/2015	Investor Presentation
31/07/2015	Quarterly Activities and Cashflow Report
30/07/2015	Potash Confirms Payment of Option Fee
27/07/2015	Response to ASX Price Query
20/07/2015	Potash Signs Option Agreement to Acquire Buddy Platform, Inc
20/07/2015	Trading Halt
06/07/2015	Change of Registered Office

For and on behalf of Potash Minerals Limited

Ananda Kathiravelu
Chairman
Potash Minerals Limited

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Appendix 1

Interest in Mining Tenements

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed of during the quarter
<u>Hatch Point Potash Project</u> <i>State Potash Leases</i>	Utah, USA			
ML51725		90%	-	-
ML51726		90%	-	-
ML51727		90%	-	-
ML51728		90%	-	-
ML51729		90%	-	-
ML51730		90%	-	-
ML51731		90%	-	-
ML51732		90%	-	-
ML51733		90%	-	-
ML51735		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.

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")

30 Sept 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 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	(18)	(18)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(264)	(264)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(20)	(20)
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(300)	(300)
Cash flows related to investing activities			
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)	-	-
	- Option Fees paid in relation to Buddy Platform, Inc.	(500)	(500)
Net investing cash flows		(500)	(500)
1.13	Total operating and investing cash flows (carried forward)	(800)	(800)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(800)	(800)
	Cash flows related to financing activities		
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	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(800)	(800)
1.20	Cash at beginning of quarter/year to date	1,073	1,073
1.21	Exchange rate adjustments to item 1.20	(2)	(2)
1.22	Cash at end of quarter	271	271

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	50
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	-
4.2 Development	-
4.3 Production	-
4.4 Administration	269
Total	269

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	80	27
5.2 Deposits at call	191	1,046
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	271	1,073

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				

+ See chapter 19 for defined terms.

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	121,394,894	121,394,894		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor) Total	48,220,948 48,220,948	48,220,948 48,220,948	Exercise Price 20 cents	Expiry Date 30/11/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter Total				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

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: 27 October 2015

Print name: Mr Chris Watts

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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