



POTASH WEST NL

ABN 62 147 346 334

Half-Year Financial Report

31 December 2015

DIRECTORS' REPORT

Directors

Adrian Griffin
Patrick McManus
Chew Wai Chuen
Natalia Streltsova

Company Secretary

Amanda Wilton-Heald

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Stock Exchange Listing

Potash West NL shares are listed on the Australian Securities Exchange (ASX code: PWN) and OTC Pink (OTC Pink Code: PWNNY).

DIRECTORS' REPORT

Your Directors submit their report on Potash West NL (the "Company") and the entity it controls ("Consolidated Entity" or "Group") for the half-year ended 31 December 2015.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Adrian Griffin *Non-Executive Chairman*

Adrian Griffin, an Australian-trained mining professional, has had exposure to metal mining and processing worldwide during a career spanning more than three decades. A pioneer of the lateritic nickel processing industry, he has helped develop extraction technologies for a range of minerals over the years. Today, Adrian specialises in mine management and production. He is a former Chief Executive Officer of Dwyka Diamonds Limited, an AIM- and ASX-listed diamond producer, was a founding director and executive of Washington Resources Limited and also a founding director of Empire Resources Limited and Ferrum Crescent Limited. Moreover, Mr Griffin was a founding director of ASX-listed Northern Uranium and Reedy Lagoon Corporation Limited, of which he is currently a non-executive director. He is also managing director of ASX-listed Cobre Montana NL, which is now a lithium micas project developer.

Other listed company directorships during the last 3 years:

Northern Minerals Ltd (Director June 2006 – present), Lithium Australia NL (Director February 2011 – Present) and Reedy Lagoon Corporation Limited (Director June 2014 – Present)

Adrian Griffin is also a member of the Audit Committee, Remuneration Committee (Chairman) and the Nomination Committee (Chairman).

Patrick McManus *Managing Director*

Patrick McManus has a degree in mineral processing from Leeds University and an MBA from Curtin University. A mining professional for more than 30 years, his work has taken him to many sites within Australia and overseas, including Eneabba and the Murray Basin in Australia, Madagascar, Indonesia and the United States. During that time, Patrick has worked in operational, technical and corporate roles for Rio Tinto, RGC Limited and Bemas Resources Limited. He was a founding director and, from January 2007 to March 2010, managing director of ASX-listed Corvette Resources Limited.

DIRECTORS' REPORT

Chew Wai Chuen *Non Executive Director*

Mr Chew was a financial advisor with more than 15 years of industry experience, specialising in the provision of corporate and wealth management for ultra-high net worth individuals. With experience in South East Asia capital market and extensive networks of clients based in Singapore and Malaysia, Mr Chew will provide important contributions to the Board. He has successfully worked with a number of financial institutions in Singapore such as, Standard Chartered Bank, OCBC Bank and Credit Suisse Singapore.

Mr Chew is now a Managing Partner with a financial advisory firm, providing personal investing planning and wealth management for high net worth individuals and has a track record of investment into junior mining companies in Australia and South East Asia.

Other listed company directorships during the last 3 years:

Tungsten Mining NL (Director April 2014 – present)

Chew Wai Chuen is also a member of the Audit Committee, Remuneration Committee and the Nomination Committee.

Natalia Streltsova *Non-Executive Director*

Dr Natalia Streltsova is a senior executive with over 25 years' experience in the minerals industry of which 15 years, prior to forming her own consulting business in 2014, was spent in various leadership and technical roles with major mining houses including Vale SA (formerly CVRD), BHP Billiton and WMC Resources Limited. In all of these roles, there was considerable interaction with operations to provide support as well as to identify and implement innovative projects leading to increased production and cost reduction.

Dr Streltsova has a strong background in mineral processing and metallurgy with broad international experience in project, technical and business development capacities. Dr Streltsova has previously been a director on a number of Vale subsidiary boards as well as on several collaborative industry boards. She was also a Non-Executive Director on ASX listed CopperMoly Limited.

Other listed company directorships during the last 3 years:

CopperMoly Limited (Director September 2013 – March 2014)

As at the date of this report, Natalia Streltsova is also a member of the Audit Committee and Chair of the Remuneration and Nomination Committee.

Company Secretary

Amanda Wilton-Heald

Amanda Wilton-Heald is a Chartered Accountant with over 13 years of experience in Australia and UK.

DIRECTORS' REPORT

Results of operations

The net loss of the consolidated entity for the six months to 31 December 2015 is \$816,254 (2014: \$1,304,507). The net loss was largely due to expenditure on mineral exploration and evaluation. Included in but offsetting the net loss was \$60,000 representing option fees received in respect of the sale of the Group's interest in East Exploration Pty Ltd. During the half year, the Company also received R&D offset grants of \$179,094.

Dandaragan Trough Project

Potash West NL ("Potash West" or "the Company") has continued to advance the Dinner Hill project, within the Dandaragan Trough.

The Dandaragan Trough project is focused on exploiting the large greensands deposits, which commence less than 100km to the north of Perth, Western Australia. The objective is to produce potash and single superphosphate fertilisers and a range of valuable by-products from the glauconite and phosphate present within the greensands. The current target is to develop the Dinner Hill deposit, which is the site of our first resources in the trough. To achieve a rapid route to cashflow the project is being considered as two stages:

- Stage 1, a project producing single superphosphate, using well-established processing techniques and a low capital requirement, and
- Stage 2, a project using the K-Max process to produce potash, phosphates and other products from the glauconite present in the greensands.

The greensands within the Dandaragan Trough are widespread. The Dinner Hill project area covers approximately 60 km² in the north-west of the Trough (figure 1). Within the project area PWN has established an Exploration Target of 1,200Mt to 1,800Mt of fresh greensand at a grade of between 3.5% and 4.0% K₂O. This partially overlaps a phosphate Exploration Target of 550-800Mt of phosphate mineralisation at a grade of between 2% and 2.8% P₂O₅. (refer ASX announcement 22 July 2015).

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.

An area of approximately 18 sq km within Dinner Hill has been drilled to establish Indicated and Inferred Mineral Resources for potash (recoverable by using the K-Max process) and phosphate. The higher grade portion of the K-Max resource occurs in the Molecap Greensand. Nodular phosphate mineralisation at Dinner Hill occurs within a chalk unit, the Gingin Chalk and in upper and lower greensand units, the Poison Hill Greensand and the Molecap Greensand. Current resource figures are shown in table 1:

DIRECTORS' REPORT

TABLE 1: Dinner Hill Resource Statement ¹

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		4.0
	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).

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.

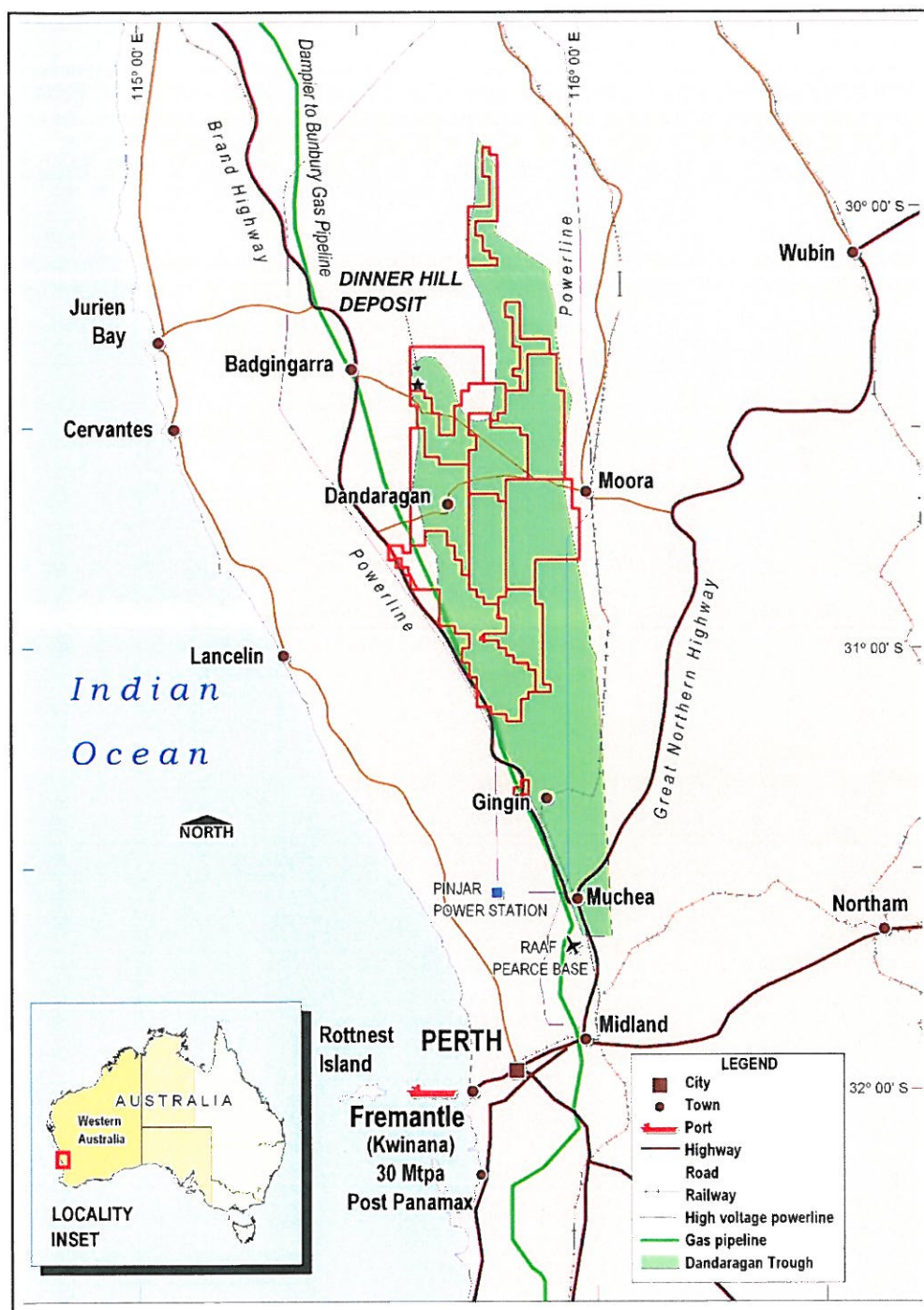


Fig. 1 : Dandaragan Trough tenement location

DIRECTORS' REPORT

Dinner Hill Scoping Study

Stage 1 of the Dinner Hill project, producing single superphosphate (SSP) from phosphate nodules was re-estimated, based upon the revised indicated resource (Table 1) (Refer ASX release 30 September 2015). The key points from the study are:

▪ NPV ₈	\$378 M
▪ EBITDA	\$ 52M pa
▪ Mine life	+40 years
▪ Capex	\$205 M

This is based on 18 km² of the Dinner Hill prospect, which covers a mineralised area of circa 60 km².

The capital cost can be reduced by eliminating a \$60M sulphur burning plant, and purchasing sulphuric acid. This, and a number of other capital/operating cost trade-offs will be considered during the prefeasibility study.

Project schedule

Current work is focussed on completing the preliminary feasibility study. Process development work is in progress. The current objectives are to confirm the flowsheet and the performance of material from different parts of the deposit. We expect that work to be completed in 2 to 3 months.

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.

In recognition of the importance of the K-Max process as a base for Lithium extraction, SM agreed to vest 25% ownership of the Lithium technology to Potash West, this takes the form of shares in a public unlisted company, Lepidico. As the Lepidico project has advanced PWN has been diluted and the current shareholding is 13%.

PWN and SM are working together to maximize the value of this IP to the benefit of all shareholders. As part of this process, Lepidico has entered into agreements with companies with Lithium projects, to investigate Joint Venture opportunities, as well as applying for Exploration Licences, in its own name (See: WWW.Lepidico.com) .

In February 2016 Lepidico entered into an exclusivity period with Platypus Minerals (ASX: PLP), (ASX release PLP 1 February 2016) to explore the possibility of vending Lepidico into Platypus, which would give a clear growth path for the company. That exclusivity period is still current at the time of writing.

South Harz exploration 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 2). 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. This work confirmed the potential of the project to host thick sequences of sylvinite and carnallite mineralisation over wide areas. A summary report is contained within the ASX announcement of 4 March 2015 and the full documentation provided by the Company's geological consultants is available on the Potash West website. 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 Mineral Resource.

The Company, and the other shareholders of EE, commenced negotiations with Arunta Resources (ASX:AJR), as reported to the ASX on 18th August 2015. The objective is to vend 100% of East Exploration into Davenport Resources (Davenport), in return for shares. Davenport was a wholly owned subsidiary of Arunta. The vending of the Company's shareholding in EE was approved by PWN shareholders at the AGM on 30 November 2015. The Arunta EGM, required to approve the demerger of Davenport Resources, is scheduled to be held on 19 Feb 2016. Davenport intends to list onto the ASX via a Prospectus offering to raise a minimum \$4M with over subscriptions of a further \$ 1M, sufficient for the verification drilling programme. On completion of a successful IPO, EE will be sold to Davenport, in return for shares. Potash West shareholders will have a priority entitlement in the IPO. At the conclusion of the transaction Potash West will own approximately 29% of Davenport, as well as performance rights subject to exploration success.

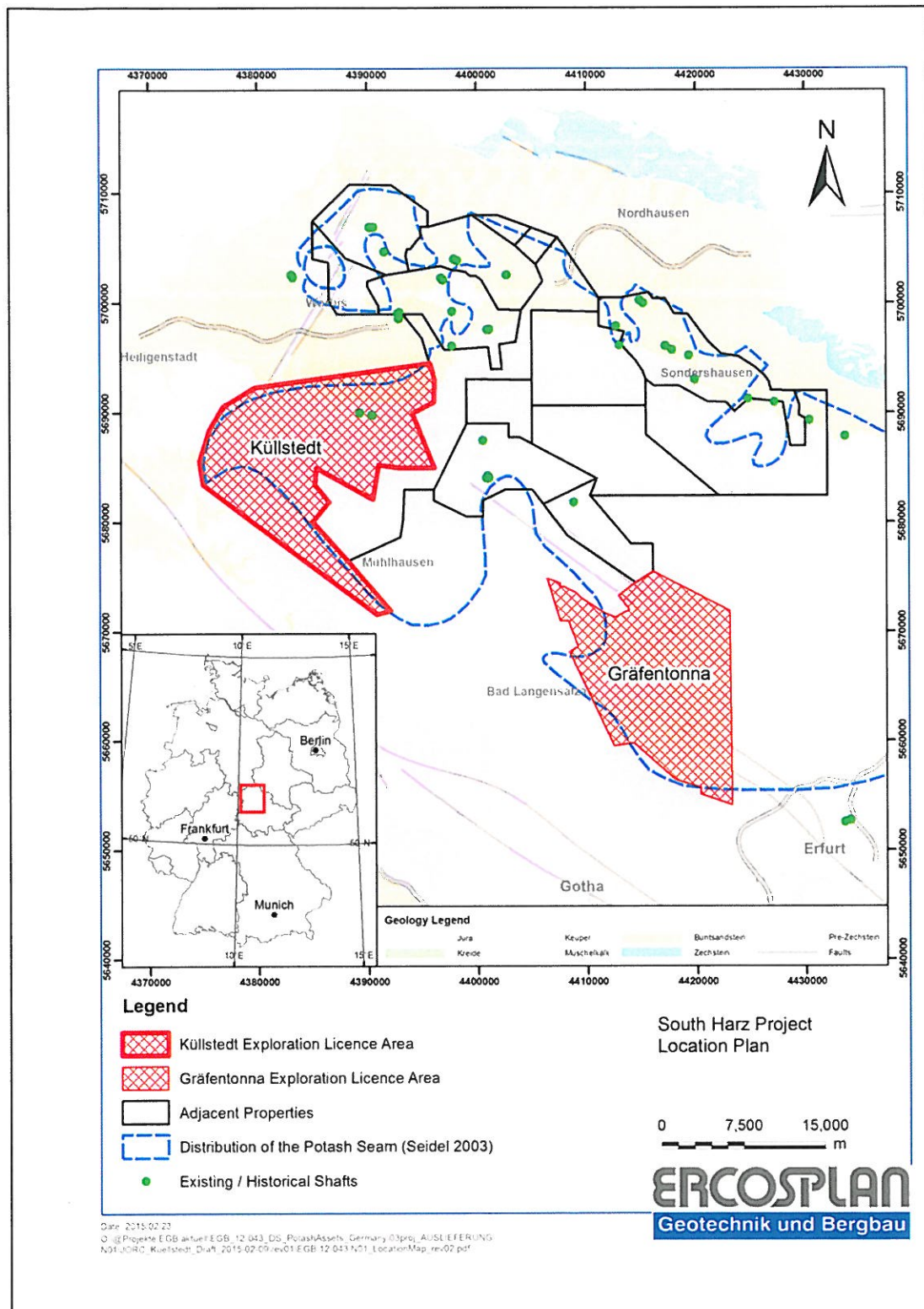


Fig. 2 : South Harz Project Location

DIRECTORS' REPORT

Significant changes in the state of affairs

No significant changes have occurred in the state of affairs of the company.

Events subsequent to balance date

The demerger of Davenport Resources from Arunta Resources was approved at a meeting of Arunta shareholders on 19th February 2016, and took place on 26th February 2016. This is a precursor to Davenport completing the IPO, as part of the acquisition of East Exploration.

Lepidico (13% owned by Potash West) has entered into an exclusivity period with the ASX listed company, Platypus Minerals (ASX: PLP).

Other than the above, there have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than disclosed elsewhere in this half-year report.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is set out on page 27.

Signed in accordance with a resolution of the Directors



Patrick McManus
Director
Perth, 14 March 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
INCOME FROM CONTINUING ACTIVITIES			
Administration services		-	17,730
Option Fee received	15	60,000	-
Interest		8,713	11,585
Government grant		179,094	-
TOTAL INCOME		247,807	29,315
EXPENSES			
Administration		426,918	469,160
Depreciation		6,164	7,353
Equity based payments	9	84,371	133,900
Exploration		317,825	439,177
Legal		20,319	9,553
Occupancy		30,000	32,000
Remuneration (excluding share based payments)		178,464	242,679
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(816,254)	(1,304,507)
Income Tax Refund		-	-
NET LOSS FOR THE PERIOD		(816,254)	(1,304,507)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(816,254)	(1,304,507)
NET LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:			
Owners of the parent		(808,794)	(1,304,507)
Non controlling interest		(7,460)	-
		(816,254)	(1,304,507)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Owners of the parent		(808,794)	(1,304,507)
Non-controlling interest		(7,460)	-
		(816,254)	(1,304,507)
Basic and diluted loss per share (cents per share)	3	(0.32)	(0.76)

The consolidated statement of comprehensive income should be read in conjunction with the accompanying condensed notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		31 December 2015	30 June 2015
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	1,411,403	1,542,256
Trade and other receivables		60,833	75,638
Other assets		7,432	13,860
		<u>1,479,668</u>	<u>1,631,754</u>
Assets included in disposal group classified as held for sale	15	30,087	-
Total Current Assets		<u>1,509,755</u>	<u>1,631,754</u>
NON CURRENT ASSETS			
Exploration and evaluation		2,500,000	2,500,000
Financial Assets		75,000	75,000
Plant and equipment	8	47,348	53,513
Total Non Current Assets		<u>2,622,348</u>	<u>2,628,513</u>
TOTAL ASSETS		<u>4,132,103</u>	<u>4,260,267</u>
CURRENT LIABILITIES			
Liabilities included in disposal group held for sale	15	39,630	-
Trade and other payables		224,052	390,327
Provisions		65,039	60,210
Total Current Liabilities		<u>328,721</u>	<u>450,537</u>
TOTAL LIABILITIES		<u>328,721</u>	<u>450,537</u>
NET ASSETS		<u>3,803,382</u>	<u>3,809,730</u>
EQUITY			
Equity attributable to owners of the parent:			
Issued capital	6	17,566,661	16,776,781
Reserves	7	648,934	628,908
Accumulated losses		(14,404,753)	(13,595,959)
		<u>3,810,842</u>	<u>3,809,730</u>
Non-controlling interest		(7,460)	-
TOTAL EQUITY		<u>3,803,382</u>	<u>3,809,730</u>

The consolidated statement of financial position should be read in conjunction with the accompanying condensed notes.

POTASH WEST NL
ABN 62 147 346 334
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Issued Capital	Accumulated Losses	Share and Option Based Payment Reserve	Non-controlling interest	Total
Balance at 1 July 2014	\$ 12,754,631	\$ (10,724,956)	\$ 523,341	-	\$ 2,553,016
Loss for the period	-	(1,304,507)	-	-	(1,304,507)
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive loss for the period	-	(1,304,507)	-	-	(1,304,507)
Transactions with owners in their capacity as owners:					
Shares issued	3,721,276	-	-	-	3,721,276
Share issued transaction costs	(313,788)	-	-	-	(313,788)
Share and option based payments	-	-	197,650	-	197,650
Balance at 31 December 2014	16,162,119	(12,029,463)	720,991	-	4,853,647

The consolidated statement of changes in equity should be read in conjunction with the accompanying condensed notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Issued Capital	Accumulated Losses	Share and Option Based Payment Reserve	Non- controlling interest	Total
Balance at 1 July 2015	16,776,781	(13,595,959)	628,908	-	3,809,730
Loss for the year	-	(808,794)	-	(7,460)	(816,254)
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive loss for the period	-	(808,794)	-	(7,460)	(816,254)
Transactions with owners in their capacity as owners:					
Shares issued	761,000	-	-	-	761,000
Share issue transaction costs	(96,866)	-	-	-	(96,866)
Share and option based payments	125,746	-	20,026	-	145,772
Balance at 31 December 2015	17,566,661	(14,404,753)	648,934	(7,460)	3,803,382

The consolidated statement of changes in equity should be read in conjunction with the accompanying condensed notes.

POTASH WEST NL
ABN 62 147 346 334

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
OPERATING ACTIVITIES			
Other Receipts		14,805	-
Payments to suppliers and employees		(1,067,512)	(1,256,254)
Government grant received		179,094	-
Interest received		8,713	11,585
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(864,900)	(1,244,669)
INVESTING ACTIVITIES			
Option Fee Received		100,000	-
Payment for equity investments		-	(100,000)
NET CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES		100,000	(100,000)
FINANCING ACTIVITIES			
Proceeds from issue of shares		761,000	3,721,276
Share issue costs		(96,866)	(248,431)
NET CASH FLOWS FROM FINANCING ACTIVITIES		664,134	3,472,845
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(100,766)	2,128,176
Cash and cash equivalents at the beginning of the period		1,542,256	164,270
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	1,441,490	2,292,446

The statement of cash flows should be read in conjunction with the accompanying condensed notes.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 1: Basis of preparation of the half-yearly financial report

This consolidated interim condensed financial report for the half-year ended 31 December 2015 was authorised for issue in accordance with a resolution of the directors on 14 March 2016. The financial report has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2015 and considered with any public announcements made by Potash West NL ("the company") during the half-year ended 31 December 2015 in accordance with continuous disclosure obligations of the *ASX Listing Rules*.

The half-year financial statements do not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full and understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report which is available at www.potashwest.com.au.

The half-year financial statements have been prepared on the basis of accrual accounting and historical costs and the same accounting policies and methods of computation were followed as in the most recent annual financial statements

Going concern basis

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

The consolidated entity has incurred a net loss for the period ended 31 December 2015 of \$816,254 (31 December 2014: \$1,304,507) and incurred net cash outflows from operating activities of \$864,900 (31 December 2014: \$1,244,669). The company has successfully completed a capital raising of \$761,000 during the period.

The Directors have reviewed the consolidated entity's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company will be successful in securing additional funds through future share and rights issues.

Should the Company not be able to raise funds from equity raisings, placements or other sources, there is significant uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 1: Basis of preparation of the half-yearly financial report (continued)

Changes in accounting policies

Except as disclosed below, the half-year financial report has been prepared using the same accounting policies and methods of computation as used in the annual financial statements for the year ended 30 June 2015.

New and revised standards

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

The adoption of all the new and revised Standards and Interpretations has not resulted in any material changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years.

The consolidated entity has not elected to early adopt any new accounting standards and interpretations.

Note 2: Segment reporting

The consolidated entity has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

The consolidated entity currently does not have production and is only involved in exploration. As a consequence activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis.

Based on these criteria, the consolidated entity only has one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in note 1 for the computation of the consolidated entity's results presented in this set of financial statements.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 3: Earnings per share

	2015	2014
	\$	\$
Basic loss per share (cents per share)	0.32	0.76
Diluted loss per share (cents per share)	0.32	0.76
Loss used in calculating basic and diluted loss per share	(808,794)	(1,304,507)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	251,600,729	172,684,137

During the period there were no listed or key management personnel options exercised.

Options that are unexpired are not considered dilutive for the purpose of the calculation of diluted loss per share as their conversion to ordinary shares would not decrease the net profit from continuing operations per share. Consequently, diluted loss per share is equal to basic loss per share.

There have been no transactions involving ordinary shares or potential shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Note 4: Contingent liabilities and contingent assets

The Consolidated entity does not have any contingent assets or liabilities outstanding at 31 December 2015 (30 June 2015: Nil).

Note 5: Cash and cash equivalents

Cash and cash equivalents presented in the consolidated statement of cash flows is reconciled to the statement of financial position as follows:

	31-Dec-15	30 June 2015
	\$	\$
Cash and cash equivalents	1,411,403	1,542,256
Assets held for sale (Note 14)	30,087	-
	1,441,490	1,542,256

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 6: Issued capital

Issued Capital

Ordinary Shares	Number	\$
At 1 July 2014	113,806,148	13,047,840
Issue of 12,803,802 shares via shares placement	12,803,802	443,133
Issue of 1,374,769 shares via shares placement	1,374,769	48,117
Issue of 9,429,286 shares via shares placement	9,429,286	330,025
Issue of 40,000,000 shares via shares placement	40,000,000	2,000,000
Issue of 16,400,000 shares via shares placement	16,400,000	820,000
Issue of 1,250,000 shares to consultants	1,250,000	43,750
Issue of 1,000,000 shares to consultants	1,000,000	50,000
Issue of 250,000 shares to consultants	250,000	12,500
Issue of 2,000,000 shares via shares placement	1,600,000	80,000
Issue of 2,000,000 shares to consultant via employee share plan	2,000,000	100,000
Issue of 100,000 shares to directors and senior management via remuneration sacrifice share plan	100,000	5,000
Issue of 390,045 shares to directors and senior management via remuneration sacrifice share plan	390,045	15,903
Issue of 473,402 shares to directors and senior management via remuneration sacrifice share plan	473,402	21,303
Issue of 20,913 shares to directors and senior management via remuneration sacrifice share plan	20,913	1,004
Issue of 31,250 shares to directors and senior management via remuneration sacrifice share plan	31,250	1,250
Shares to be issued via private placement	9,475,000	379,000
Shares to be issued under the director and senior management fee and remuneration sacrifice share plan	600,440	32,175
Equity raising costs	-	(319,194)
At 30 June 2015	211,005,055	17,111,806
Reserved Shares	(3,150,000)	(335,025)
At the end of the reporting period	207,855,055	16,776,781

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 6: Issued Capital (Continued)

At 1 July 2015	211,005,055	17,111,806
Issue of 19,025,000 shares via shares placement	19,025,000	761,000
Issue of 1,250,000 shares in lieu of payment for services	1,250,000	61,400
Issue of 1,046,181 shares to directors and senior management via remuneration sacrifice share plan	1,046,181	20,242
Shares to be issued under the director and senior management fee and remuneration sacrifice share plan*	1,633,481	44,104
Equity raising costs	-	(96,866)
As at 31 December 2015	233,959,717	17,901,686
Reserved Shares	(3,150,000)	(335,025)
At the end of the reporting period	230,809,717	17,566,661

* Shares have not yet been issued, with the number of shares to be determined at issue date, dependent on the market share price.

Contributing Shares - Partly Paid	Number	\$
At 1 July 2014	-	-
Issue of 35,906,024 partly paid contributing shares pursuant to non-renounceable entitlement issue	35,960,024	-
At 30 June 2015	35,960,024	-
As at 31 December 2015	35,960,024	-

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 7: Reserves

Share and Option based payment reserve	Number	\$
At 1 July 2014	4,200,000	465,158
Issue of 429,688 options to consultants	429,688	13,750
Issue of 1,562,500 options to consultants	1,562,500	50,000
Issue of 2,000,000 reserve shares treated as in substance options	2,000,000	100,000
At 30 June 2015	8,192,188	628,908
1,350,000 unlisted options expired	(1,350,000)	-
1,000,000 unlisted options expired	(1,000,000)	-
Issue of 3,500,000 options to consultants	3,500,000	20,026
As at 31 December 2015	9,342,188	648,934

Note 8: Plant and equipment

	Office Equipment \$	Plant and Equipment \$	Computer Software \$	Total \$
At 1 July 2015				
Opening net carrying value	7,271	30,475	15,767	53,513
Depreciation charge for the period	(1,129)	(3,061)	(1,975)	(6,165)
At 31 December 2015	6,142	27,414	13,792	47,348

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 9: Equity based payments

Expenses arising from share-based payment transactions

	31-Dec-15	31-Dec-14
	\$	\$
Management fee and remuneration sacrifice share plan	64,345	133,900
	64,345	133,900

Under the Management fee and remuneration sacrifice share plan, the eligible directors and senior management of the Company may elect to sacrifice part of their directors' fees or consulting fees to acquire Shares in the Company. Under the Plan, the relevant directors and senior management will receive the remainder of their directors' fees or consulting fees in cash. As such, the Shares will be issued for nil cash consideration and will be valued at market fair value. A total of 1,046,181 shares were issued during the current period under this plan, with an estimated 1,633,481 shares to be issued subsequent to half-year end.

On 2 July 2015, the Company issued 550,000 shares at \$0.048 per share and 700,000 shares at \$0.05 per share to consultants in lieu of cash payments for services provided. This issue was approved by shareholders at 2015 AGM.

Expenses arising from option-based payment transactions

Total expenses arising from option-based payment transactions recognised during the half-year is as follows:

	31-Dec-15	30-Jun-15
	\$	\$
Options issued to consultants	20,026	-
	20,026	-

During the 2015 half year, in total 3,500,000 options were issued to consultants as part of their fees. The fair value of options granted under this plan was determined using a Black-Scholes option pricing methodology. Details of the valuation assumptions used are set out below.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Dividend yield (%)	Nil
Expected volatility*(%)	75
Risk-free interest rate (%)	2
Expected life (years)	3
Share price (\$)	\$0.024

* Volatility was determined using considered judgement as to the volatility of the share price over the vesting period.

Note 10: Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the period, the following transactions were undertaken between the Company, executive officers and director-related entities.

	31-Dec-15	31-Dec-14
	\$	\$
Consulting fees were paid to Strategic Metallurgy Pty Ltd, a company of which Gary Johnson is a director and shareholder.	-	150,551
Reimbursement of travel expenses were made to Precious Capital Pte Ltd, a company of which Chew Wai Chuen is a director and shareholder.	5,904	-
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included investor relations, corporate advisory, office accommodation, accounting staff (excluding fees directly related to Robert Van der Laan), administrative staff and exploration staff.	144,382	-
An amount was receivable from Lepidico Limited, a company which Potash West NL has an equity interest in.	18,763	-

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 11: Commitments

The consolidated entity has certain obligations with respect to tenements and minimum expenditure requirements on areas, as follow:

	31 December 2015	30 June 2015
Within 1 year	1,282,893	930,500
1 to 2 years	1,282,893	930,500
	2,565,786	1,861,000

The commitments may vary depending upon additions or relinquishments of the tenements, as well as farm-out agreements. The above figures are based on the mines department reports as at 31 December 2015. The figures are adjusted on the anniversary date of each tenement and therefore that total can change on a monthly basis.

Note 12: Events subsequent to balance date

The demerger of Davenport Resources from Arunta Resources was approved at a meeting of Arunta shareholders on 19th February 2016, and took place on 26th February 2016. This is a precursor to Davenport completing the IPO, as part of the acquisition of East Exploration.

Lepidico (13% owned by Potash West) has entered into an exclusivity period with the ASX listed company, Platypus Minerals (ASX: PLP).

Other than the above, there have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than disclosed elsewhere in this half-year report.

Note 13: Financial instruments

There carrying value of all financial assets and financial liabilities is considered to equal their fair value due to their short-term nature.

Note 14: Dividends

No dividend has been paid or declared during the half-year and the directors do not recommend the payment of a dividend in respect of the financial period.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 15: Investment in East Exploration Pty Ltd

As announced to the market on 18 August 2015, the Company has entered into a term sheet sell its 55% interest in East Exploration Pty Ltd to Davenport Resources Pty Ltd ('Davenport'), a wholly owned subsidiary of Arunta Resources Limited [ASX: AJR]. Pursuant to the terms of the announced agreement, during the period Davenport paid to East Exploration the first tranche of the Option and Exclusivity Fee amounting to \$100,000. This Fee is non refundable. For the period, the portion of the fee relating to the expenditure for the period has been recognised as income in East Exploration, amounting to \$60,000 with the remaining \$40,000 shown as deferred income.

Due to the expected sale of the interest in East Exploration Pty Ltd, the assets and liabilities of East Exploration Pty Ltd have been presented as "held for sale" in the statement of financial position at 31 December 2015.

DIRECTORS' DECLARATION

The Directors of Potash West NL declare that:

- (a) the financial statements and notes set out on page 11 to 25 are in accordance with the Corporations Act 2001 including:
- giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
 - complies with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001;
- (b) subject to the matters discussed in Note 1, in the Directors' opinion there are reasonable grounds to believe that Potash West NL will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors.



Patrick McManus
Director
Perth

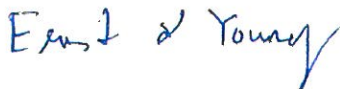
14 March 2016

Auditor's independence declaration to the Directors of Potash West NL

As lead auditor for the review of Potash West NL for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Potash West NL and the entities it controlled during the financial period.



Ernst & Young



V L Hoang
Partner
14 March 2016

Report on the Half-Year Financial Report to the members of Potash West NL

We have reviewed the accompanying half-year financial report of Potash West NL, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at half-year end or from time to time during the half year.

Directors' responsibility for the half-year financial report

The directors of Potash West NL are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half-year 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 half-year 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 ("ASRE 2410"), 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 consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Potash West NL and the entity it controlled, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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 Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

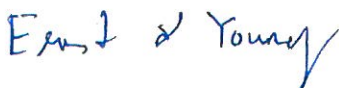
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Potash West NL is not in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



Ernst & Young



V L Hoang
Partner
Perth
14 March 2016