



19 October 2016

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Dear Option holder

Offer of Shares under Bonus Issue

As announced on 18 October 2016, Potash West NL ("**PWN**" or "**the Company**") is making bonus offer ("**Bonus Issue**") on the basis of one (1) New Partly Paid Share for every four (4) Shares held at the Record Date at an issue price of \$0.05 per New Partly Paid Share, with each New Partly Paid Share deemed to be paid up to \$0.001 and unpaid to \$0.049.

Based on the number of Shares currently on issue as at the date of the Bonus Issue and assuming no options are exercised before the Record Date, up to approximately 86,721,853 New Partly Paid Shares will be issued pursuant to the Bonus Issue.

The Bonus Issue will be made to all Shareholders who are recorded as Shareholders as at 5:00pm (WST) on the Record Date.

A prospectus for the Bonus Issue ("**Prospectus**") was lodged with ASX on 18 October 2016 and is available on the ASX website and on the Company's website www.potashwest.com.au

The terms and conditions of the PWNOA options ("**Existing Options**") you currently hold do not entitle you to participate in the Bonus Issue unless you exercise your Existing Options and are entered on PWN's register of Shareholders by **5.00 pm (WST) on the Record Date**.

To exercise all or a portion of your Existing Options and thereby participate in the Bonus Offer, you should complete a Notice of Exercise of Options and lodge it with PWN, together with your payment for the exercise price of the Existing Options you wish to exercise. You do not need to exercise all of your Existing Options to become an eligible Shareholder.

To ensure that your shares are issued and registered by 5.00 pm (WST) on the Record Date, your Notice of Exercise of Options and together with your payment for the exercise of your Existing Options must be received by PWN no later than 2 November 2016.

If you do not wish to participate in the Bonus Offer in respect of your Existing Options you do not need to take any action.

Before deciding whether to exercise any or all of your Existing Options, you should read the Prospectus in its entirety and consult with your professional adviser. If you require further information, please contact the Chief Financial Officer, Bob Van der Laan on +61-8 9479 5386.

Yours sincerely

Patrick McManus
Managing Director
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