



ASX Announcement

29 July 2016

COMPANY DETAILS

ABN: 62 147 346 334

PRINCIPAL AND REGISTERED OFFICE

Potash West NL
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ASX CODE

PWN

FRANKFURT CODE

A1JH27

OTC PINK CODE

PWNNY

CORPORATE INFORMATION

29 July 2016

292 M Ordinary shares
36M Partly paid shares
17M Listed Options
3M 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 2016 QUARTERLY REPORT

Global Highlights

- Global prices for phosphate & sulphate of potash remain steady despite drifting broader commodity spectrum.
- Fundamentals for agri-chemicals appear strong in medium term.

Dandaragan Trough Project ("DTP")

- Further drilling programme at Dinner Hill South completed.
- No further drilling required to complete Preliminary Feasibility Study
- FTI Consulting has commenced marketing the Dinner Hill project – presentation of summary materials to prospective investors, ahead of compilation of data room.
- Dinner Hill now contains 250 Mt of indicated phosphate resources at a grade of 2.9% P₂O₅. This is sufficient for over 40 years at a consumption rate of 4Mtpa.

South Harz Project, Germany

- Unlisted public company Davenport moves towards proposed ASX listing during H2 2016.
- If the listing is completed, PWN to become a substantial shareholder (19.2m shares, 25 to 28%) with an indicated value expected at some \$A3.8M.

Technology

- Sale of Lepidico to Platypus Minerals ("PLP") completed.
- PWN now owns 97m PLP shares, with a current market value of \$1.6M.
- PLP assets include lithium hard-rock process technology and participation in lithium tenements in Australia, Canada and South America.

Corporate

- \$1.7m raised in oversubscribed placement at 3.0c.
- Share Purchase Plan on same terms as placement to now follow.
- Cash on hand \$2.0m, excl. SPP.
- Free issue of contributing shares to be made to all PWN shareholders by October 2016.
- Additional funds to be applied to the continued development of the DTP and general overheads.
- PWN market value doesn't reflect value of cash, Platypus shares and East Exploration value.

DANDARAGAN TROUGH PROJECT

Potash West NL (“PWN”, “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, where Potash West holds over 2,600km² of exploration tenure. Sedimentary rocks within the trough contain glauconite, a potash rich mica, and phosphate nodules. The objective is to produce phosphate and potash fertilisers and a range of valuable by-products from the phosphate and glauconite present within the sediments of the Dandaragan Trough.



Figure 1: Location plan, Dandaragan Trough Project

Mineral Resource

The Dinner Hill Resource now covers an area of some 18km². The resource is shown below.

Dinner Hill Deposit Resource Summary 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 release 03 June 2015.

The DTP has unique advantages of excellent connectivity to transport facilities, infrastructure and proximity to local and regional markets. It is located within an easy drive from Perth, and is less than 200km from two major bulk export ports, Kwinana and Geraldton. It is well situated in relation to major project infrastructure, and significant local and regional markets for its products.

Recent Drilling Programme

A wide-spaced drilling programme was completed on Exploration Licences E70/4609 and E70/4138 in the March quarter and assayed, analysed and released to the market in this June 2016 quarter. Drill hole locations are shown in Figure 2.

Drilling on E70/4318, at Dinner Hill South, intersected significant thickness's of preserved Molecap greensand. Molecap greensand thickness averaged 14m, compared with an average thickness at Dinner Hill of some 9 metres. The best intersection was 40m at 4.35% K₂O from 24m. These results confirm the southern continuation of the Dinner Hill deposit as predicted by the Exploration Target reported to the ASX on 22nd July 2015. The full report on the drilling programme was released to the ASX on 11th May 2016.

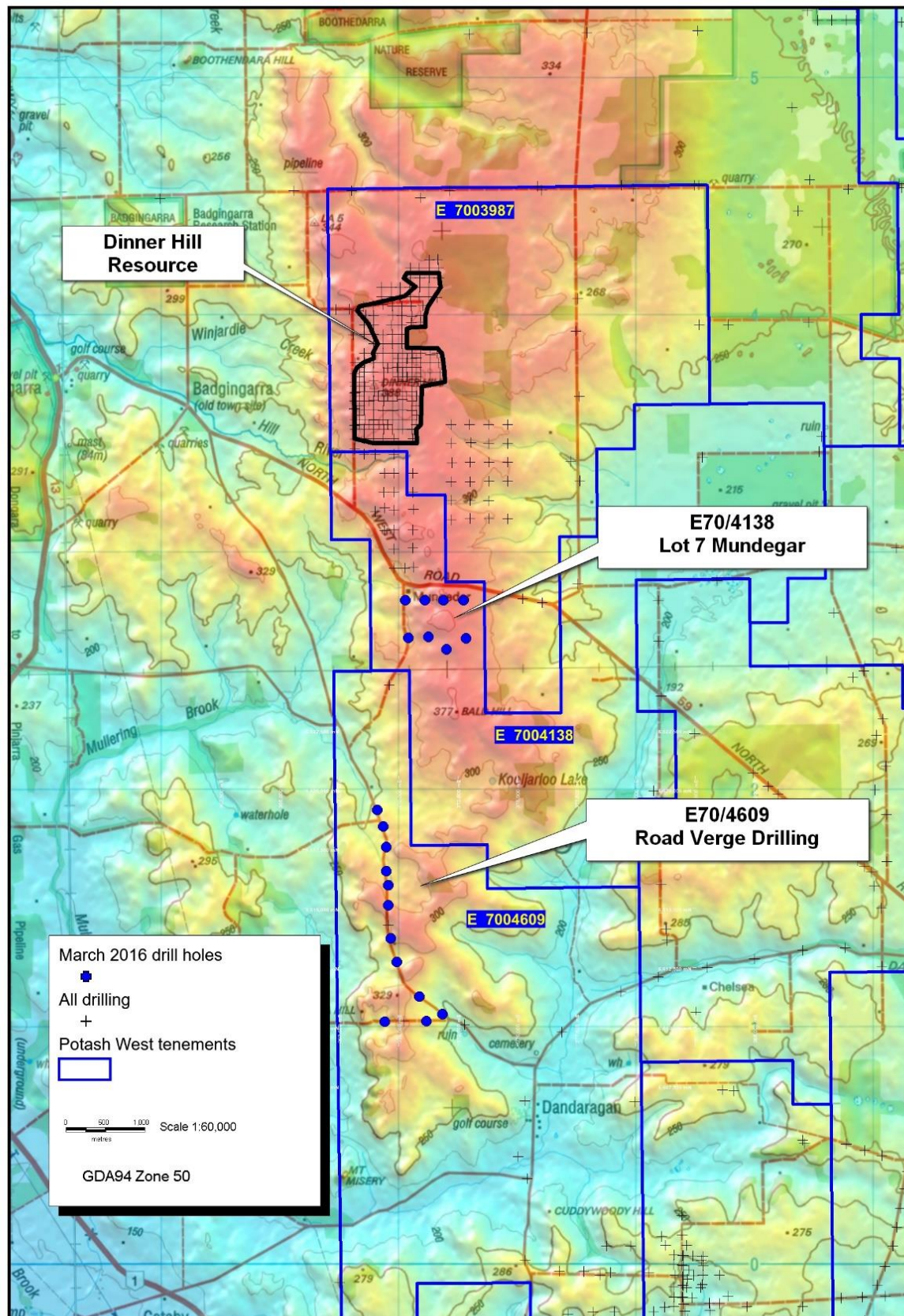


Figure 2 : Location of Drilling, Dinner Hill South

Dinner Hill Prefeasibility Study (PFS)

Based on the new phosphate Indicated Mineral Resource of 250 Mt at 2.9% P_2O_5 , a new mining plan was developed. The scoping study completed in 2013 (refer ASX announcement: 19 Sept 2013) has been updated.

The update was reported to the ASX on 30 September 2015. The results indicate the possibility of a long-lived, significant scale project. This will underpin the long-term development of Dinner Hill as a supplier of fertilisers to the region, with the cashflow from phosphate production financing the progression of the K-Max project. Metallurgical testwork on a range of samples from Dinner Hill is in progress.

Other

FTI Consulting (retained by PWN to market Dinner Hill to prospective investors) have completed their due diligence on the Dinner Hill project and have now moved to the marketing phase of their engagement. Due diligence results were in line with the company's own modelling. An Information Memorandum and Financial Models have been completed and a Data Room is being assembled.

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 3). 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 still remain in this region.

Planning is in progress for a verification drilling program which is expected to consist of 2 to 3 confirmatory holes which could allow reporting of a JORC compliant Inferred Mineral Resource. A Managing Director and technical team have been recruited. A site visit was carried out in June to plan the drill programme to identify and evaluate potential drill sites.

The Company, and the other owners of EE, are working with Davenport Resources, to effect a transaction, where Davenport becomes a listed company, owning the South Harz project as its flagship project. The IPO is expected to be concluded in Q4 2016.

Post listing PWN will own 19.2 million Davenport shares (25% - 28% of the issued capital depending upon the amount raised), plus performance shares to be issued on achieving certain project milestones. As part of the transaction Davenport has advanced \$250,000 to East Exploration to fund planning the proposed drilling programme.

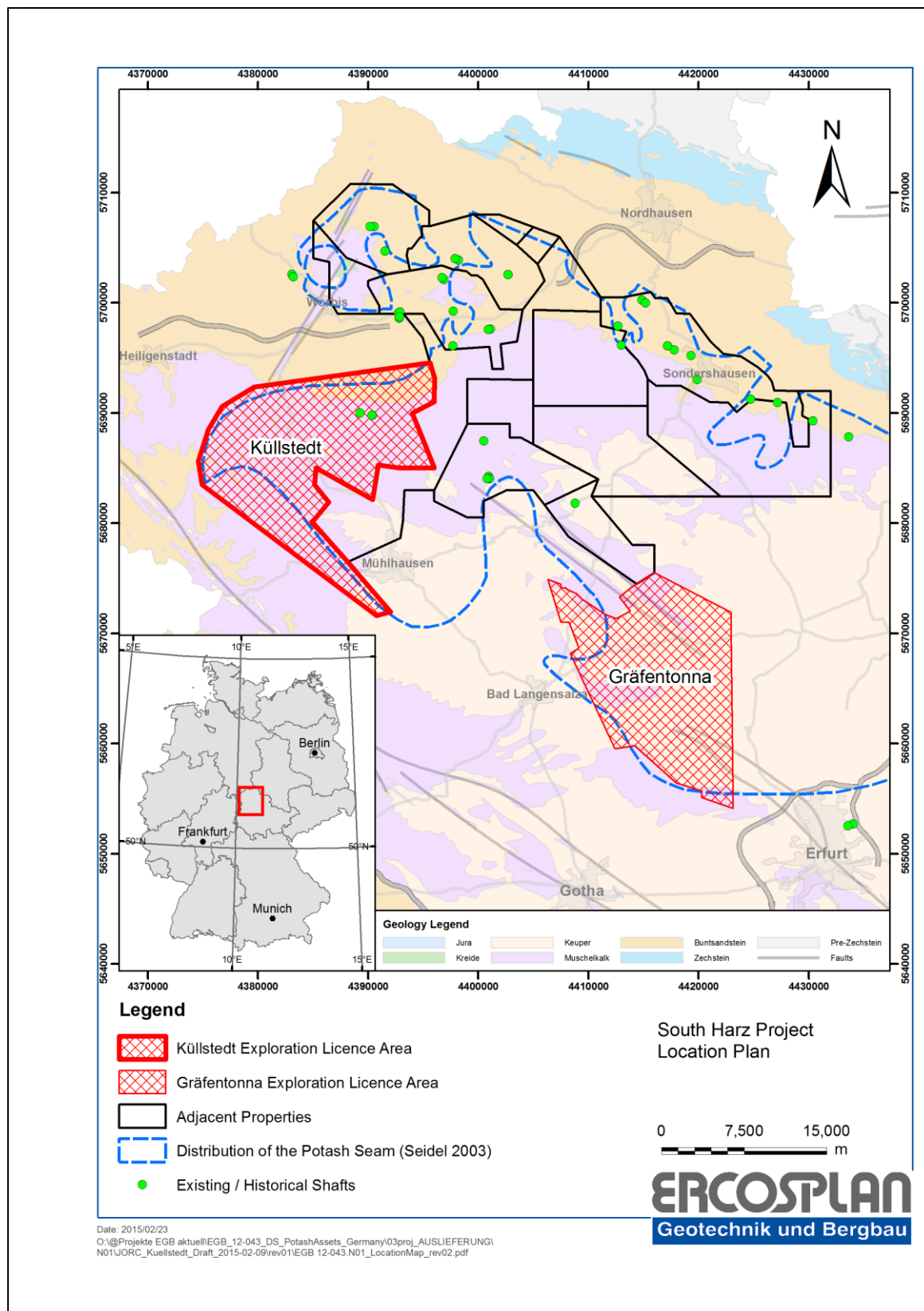


Figure 3: South Harz Project Location

TECHNOLOGY

The Lepidico/Platypus Minerals (PLP) transaction was completed in the quarter and PWN now owns 97m PLP shares, valued at \$1.6m, based on current market prices. PLP has joint ventures with several companies, on lithium projects in North and South America, and is also negotiating the licencing of its L-Max technology for lithium mica projects.

CORPORATE

The Company has engaged State One Capital Group, a Sydney and Perth based broking house, to provide corporate advice and support.

Capital Raising

Subsequent to 30 June 2016, the company completed a capital raising to sophisticated investors, raising \$1.7m, managed by State One. The offer was heavily oversubscribed. A Share Purchase Plan (SPP) will be offered to existing shareholders, on the same terms as the placement. A bonus issue of contributing shares is planned for October 2016.

ANNOUNCEMENTS

The following ASX announcements were made during the quarter:

- June 22, 2016 Potash West Notes Platypus' Significant Lithium Milestone
- June 17, 2016 Potash West Crystallizes Lithium Asset
- June 16, 2016 Becoming a substantial holder for PLP
- May 18, 2016 RIU Sydney Resources Round Up Presentation
- May 11, 2016 Investor Presentation
- May 11, 2016 Extension of Potash and Phosphate Mineralisation
- April 13, 2016 s708A Notice, Appendix 3B and Appendix 3Y's

The following announcements were made subsequent to 30 June 2016:

- July 21, 2016 s708A Notice, LR3.10.5A Notice and Appendix 3B
- July 20, 2016 Letter to Shareholders – SPP Revised Dates
- July 20, 2016 Share Purchase Plan – Revised Dates
- July 19, 2016 Clarification on Share Purchase Plan Dates
- July 18, 2016 Letter to Shareholders – Share Purchase Plan
- July 18, 2016 Share Purchase Plan
- July 18, 2016 Reinstatement to Official Quotation
- July 18, 2016 PWN Raises \$1.7M to Expedite Dinner Hill Feasibility Study
- July 15, 2016 Suspension from official quotation
- July 13, 2016 Change in substantial holding for PLP
- July 13, 2016 Trading Halt
- July 05, 2016 Fertiliser Project Partner Mandate Enters Marketing Stage
- July 04, 2016 Analyst Coverage – State One Stockbroking Report

CASH ON HAND

At 30 June 2016, \$0.5 million cash was available. Subsequent to 30 June, a capital raising of \$1.7m was carried out.

TENEMENT SUMMARY

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

Country	Tenement	Tenement Interest held at 1 April 2016	Interest acquired / disposed of during quarter	Tenement Interest held at 30 June 2016
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	100%	N/A	100%
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	100%	N/A	100%
WA	E70/4687	100%	N/A	100%
WA	E29/985			Pending
WA	E57/1051			Pending
WA	E77/2381			Pending
WA	E77/2382			Pending

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

For further information contact:

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 Managing Director
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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 phosphate, 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 (ASX release:3 June 2015). A pre-feasibility study is in progress for stage 1, production of phosphate fertilisers.

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:***Dandaragan Trough Project***

The production targets and other information in this announcement that relate to Mineral Resources, are based on, and fairly represent, the Mineral Resource 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 the Mineral Resource estimate in those previous ASX releases continue to apply and have not materially changed. The Company further 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.

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 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(335)	(778)
	(b) development		
	(c) production		
	(d) administration	(199)	(1,140)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	2	17
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (Government grant and R&D refund)	-	179
	Net Operating Cash Flows	(532)	(1,722)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments	-	-
	(c) other fixed assets	-	(3)
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	-	(3)
1.13	Total operating and investing cash flows (carried forward)	(532)	(1,725)

+ 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)	(532)	(1,725)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	761
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)	-	(90)
	Net financing cash flows	-	671
	Net increase (decrease) in cash held	(532)	(1,054)
1.20	Cash at beginning of quarter/year to date	1,020	1,542
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	488	488

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	78
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

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	200
4.2 Development	
4.3 Production	
4.4 Administration	250
Total	450

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	488	1,020
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	488	1,020

+ 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	NIL	N/A	NIL
6.2	Interests in mining tenements and petroleum tenements acquired or increased	NIL	N/A	NIL

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			
7.2	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	234,513,572 35,960,024	234,513,572 35,960,024	Fully paid \$0.001 Fully paid \$0.049
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	+Convertible debt securities <i>(description)</i>			

+ 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)	100,000	-	<i>Exercise price</i> \$0.400	<i>Expiry date</i> 8 September 2016
		100,000	-	\$0.600	8 September 2016
		500,000	-	\$0.150	7 February 2017
		1,992,188	-	\$0.087	6 November 2017
		17,750,000	17,750,000	\$0.070	30 November 2018
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: 29 July 2016

 (Director)

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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