



ASX Announcement

19 October 2016

COMPANY DETAILS

ABN: 62 147 346 334

PRINCIPAL AND REGISTERED OFFICE

Potash West NL
Level 1
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West Perth WA 6005

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ASX CODE

PWN

FRANKFURT CODE

A1JH27

OTC PINK CODE

PWNNY

CORPORATE INFORMATION

19 October 2016

347M Ordinary shares
36M Partly paid shares
18M Listed Options
5M 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)

SEPTEMBER 2016 QUARTERLY REPORT

Global Highlights

- global prices for phosphate & sulphate of potash remain steady against drifting commodity spectrum.
- fundamentals for agri-chemicals appear strong in medium term.

Dandaragan Trough Project ("DTP")

- process optimization study commenced at Kemworks
- Environmental Impact Study baseline studies commenced
- marketing of Dinner Hill project by FTI Consulting continues, data room established
- no further drilling required to complete Preliminary Feasibility Study
- 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 4 Mtpa.

South Harz Project, Germany

- unlisted public company Davenport moves towards proposed ASX listing by end of 2016.
- Davenport prospectus is with ASIC at time of writing.
- if the listing is completed, PWN will become a substantial shareholder (19.2m shares, 25 to 28%) with an indicated value expected at some \$A3.8M.

Technology

- PWN now owns 97m PLP shares, with a current market value of \$1.75M.
- Platypus moving forward on its lithium technology and exploration activities.

Corporate

- \$3.3m raised via placement and share purchase plan.
- free 1 for 4 issue of contributing shares (4.9c to pay) to be made to all PWN shareholders in October 2016.
- Cash and investments:
 - Cash \$ 3.0 M
 - Platypus \$ 1.75M
 - South Harz \$ 3.8 M

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.

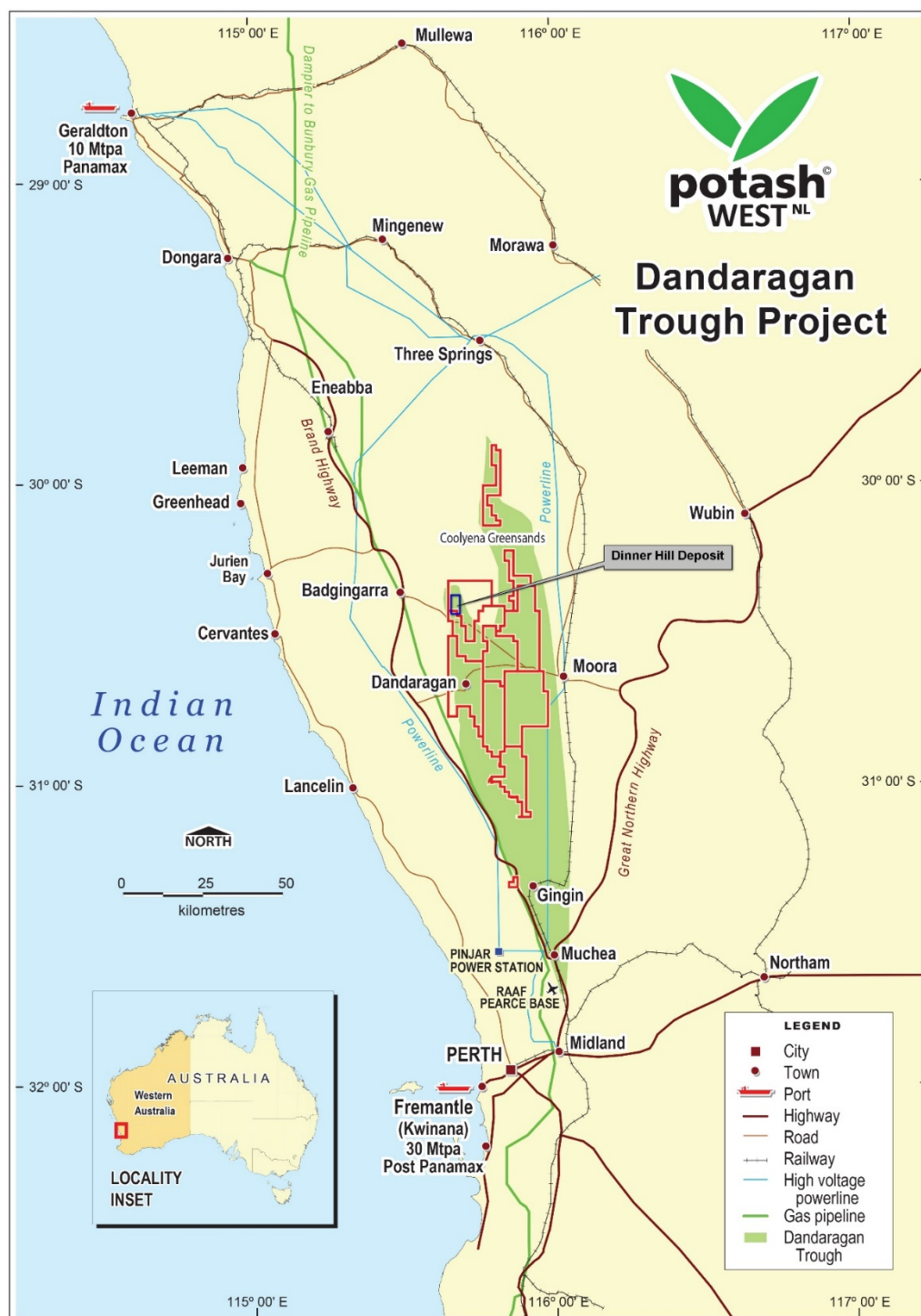


Figure 1: Location plan, Dandaragan Trough Project

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.

Dinner Hill Prefeasibility Study (PFS)

Process design testwork is now in progress, with Florida based Kemworks Technology Inc (**Kemworks**). Kemworks are phosphate process design specialists, with many years of focused phosphate process development experience. A fauna baseline study has commenced on the Dinner Hill planned project area. This is part of the baseline studies required to complete the Environmental Impact Study for the project.

Other

FTI Consulting have continued marketing the Dinner Hill project to prospective partners. A data room has been established and attracted early interest.

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. An Exploration Target for the K  llstedt licence was reported to the ASX by Potash West on March 4, 2015. A drilling programme is in the planning stages, with the objective of starting drilling as soon as possible after listing.

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 , 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.

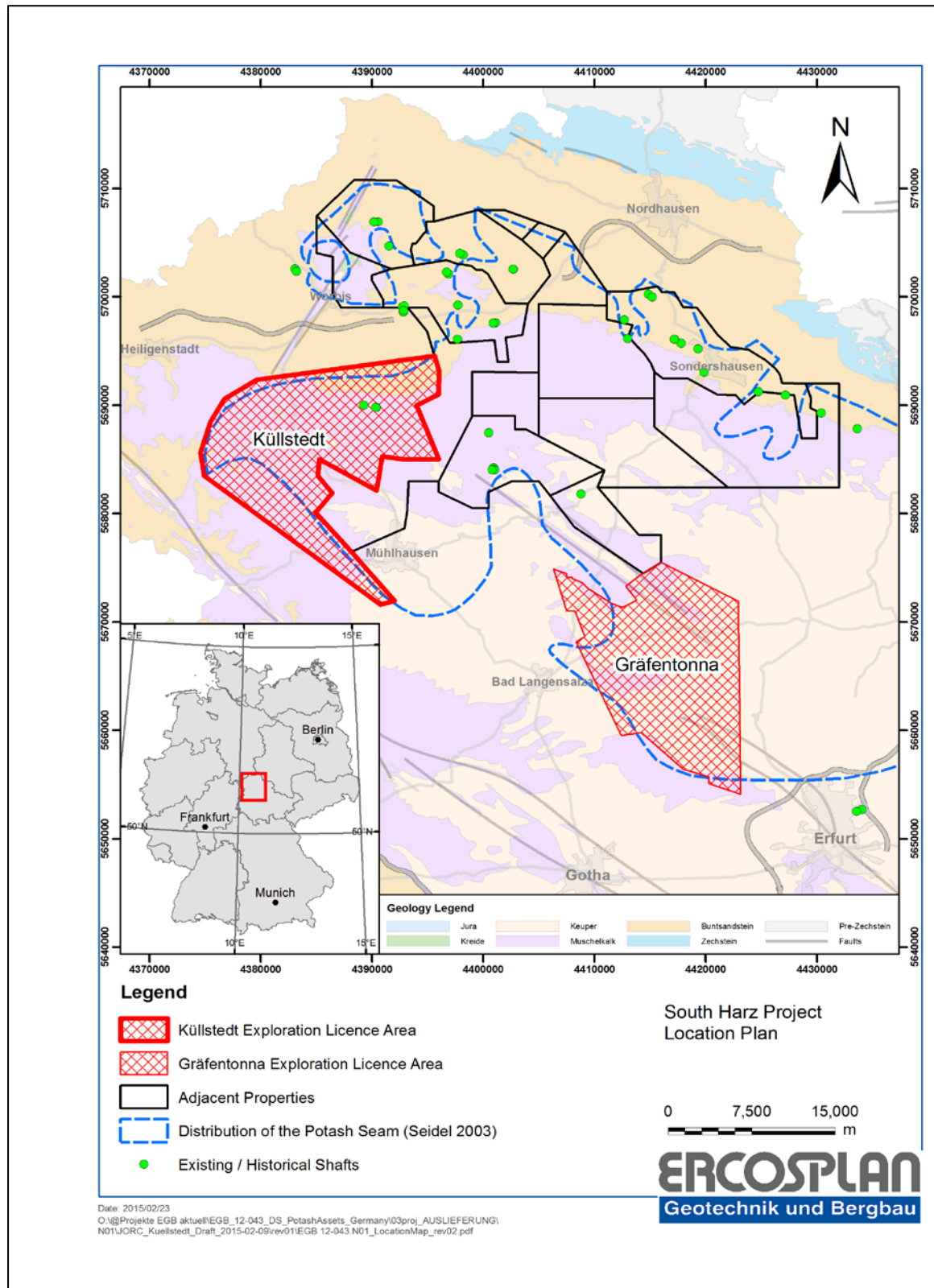


Figure 3: South Harz Project Location

PLATYPUS MINERALS

Potash West owns 97 million Platypus Minerals (**PLP**) shares. In the quarter PLP was active in expanding its exploration footprint in Quebec, commencing drilling at the Lemare project and commencing pre-feasibility study on its Phase 1 L-Max plant. In addition to adding value to PLP, successful work on L-Max technology will also significantly de-risk Potash West's K-Max process, which is a key driver in Stage 2 of the Dinner Hill project.

CORPORATE

The company raised \$3.3 million via a placement to sophisticated investors and a share purchase plan. A bonus issue of contributing shares was announced after the quarter-end.

ANNOUNCEMENTS

The following ASX announcements were made during the quarter:

- | | |
|----------------------|---|
| • September 30, 2016 | Annual Report to Shareholders |
| • September 27, 2016 | PWN Engage Phosphate Experts for Dinner Hill Pre-Feas Study |
| • September 12, 2016 | Potash West – Advice on Davenport IPO |
| • September 09, 2016 | Appendix 3B and Notice under Section 708A |
| • August 30, 2016 | PWN Change of Address |
| • August 29, 2016 | Results of Meeting |
| • August 25, 2016 | Update to Shareholders |
| • August 17, 2016 | s708A Notice, Appendices 3B and 3Y's |
| • August 04, 2016 | Extension to Share Purchase Plan |
| • July 29, 2016 | Notice of General Meeting/Proxy Form |
| • July 21, 2016 | s708A Notice, LR3.10.5A Notice and Appendix 3B |
| • July 20, 2016 | Letter to Shareholders – SPP Revised |
| • 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 5, 2016 | Fertiliser Project Partner Mandate enters marketing stage |
| • July 4, 2016 | Analyst Coverage – State One Stockbroking report |

The following announcements were made subsequent to 30 September 2016:

- | | |
|--------------------|---|
| • October 19, 2016 | Bonus Issue Timetable Clarification |
| • October 18, 2016 | Appendix 3B |
| • October 18, 2016 | Bonus Issue Prospectus |
| • October 6, 2016 | Commencement of Dinner Hill Fauna Study |
| • October 3, 2016 | Appendix 4G |

CASH ON HAND

At 30 September 2016, \$3.08 million cash was available.

TENEMENT SUMMARY

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

Country	Tenement	Tenement Interest held at 1 July 2016	Interest acquired / disposed of during quarter	Tenement Interest held at 30 September 2016
WA	E70/3418	100% ⁽¹⁾	100%	0
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	E29/1003			Pending
WA	E57/1051			Pending
WA	E77/2381			Pending
WA	E77/2382			Pending
WA	E77/2406			Pending
WA	E77/2407			Pending
WA	E77/2408			Pending
WA	E77/2409			Pending

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

For further information contact:

Potash West NL:
 Patrick McManus
 Managing Director
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 Web: www.potashwest.com.au

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, 01/05/13, 01/09/16

Name of entity

Potash West NL

ABN

62 147 346 334

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(308)	(308)
(b) development		
(c) production		
(d) staff costs	(134)	(134)
(e) administration and corporate costs	(186)	(186)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	134	134
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(490)	(490)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(6)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(6)	(6)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	3,303	3,303
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Equity Raising Costs)	(207)	(207)
3.10	Net cash from / (used in) financing activities	3,096	3,096

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	488	488
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(490)	(490)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,097	3,097
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	3,089	3,089

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,089	488
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,089	488

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
94

Item 1.23 relates to Directors Remuneration, Directors Fees and Superannuation Contributions.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	253
9.2 Development	
9.3 Production	
9.4 Staff costs	122
9.5 Administration and corporate costs	247
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	622

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E70/3418	-	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E29/985 E29/1003 E57/1051 E77/2381 E77/2382 E77/2406 E77/2407 E77/2408 E77/2409	Applications	0%	0%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: 19/10/2016

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 position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.