



ASX Announcement

23 September 2013

COMPANY DETAILS

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ASX CODES

PWN

OTCIQ CODES

PWNNY

CORPORATE INFORMATION

(23 September 2013)

92M Ordinary shares
8M Listed Options
3M Unlisted Options

BOARD OF DIRECTORS

Adrian Griffin
(Non-Executive Chairman)
Patrick McManus
(Managing Director)
George Sakalidis
(Non-Executive Director)
Gary Johnson
(Non-Executive Director)

POTASH WEST REVISES PHOSPHATE RESOURCE AT THE DINNER HILL PROJECT

Highlights

- **Indicated Mineral Resource of 90Mt at 2.65% P₂O₅, 3.6% K₂O, and 4.5% CaO identified at Dinner Hill**
- **Revised estimate results from preliminary mining optimisation studies providing increased detail on economics**
- **Deposit remains open to the north and to the east with the potential for substantially increased tonnage**

Potash West NL (ASX: PWN) (“Potash West” or “the Company”) advises that recent mining optimisation studies of phosphate mineralisation at its Dinner Hill Deposit, Figure 1, has resulted in the delineation of an revised Indicated Mineral Resource of 90Mt at 2.65% P₂O₅ (phosphate) at a 1.85% P₂O₅ lower cutoff. A summary of the resource at various cut off grades is shown in Tables 1 and 2.

All of the resource is in the Indicated Category and the estimate, undertaken by consultants, Continental Resource Management, is reported in accordance with the JORC Code (2012 edition).

Importantly the mineralisation remains open to the north and the east in an area of postulated basin closure thought to present favourable conditions for the development of nodular phosphate within the Cretaceous Coolyena Group.

On 17 September 2013 the Company released positive results from a scoping study examining the production of superphosphate from the greensands at Dinner Hill

The phosphate component in the samples were identified as flourapatite and appeared relatively liberated. The apatite was nodular in nature and as such proved easy to concentrate to the coarser fractions. Phosphate concentrates responded well to conventional anionic flotation and high recoveries and grades (>30% P₂O₅) were achieved.

Overview

The Dinner Hill potash resource occurs over an area of 10.3 square kilometres. Phosphate mineralisation occurs throughout the area of the potash resource, but consistent grades averaging 3% P₂O₅ are restricted to the northern part of the area.

Drill-hole data from Potash West was used to construct the OreBlock Model (OBM) and to estimate the resource. The data comprised drill logs and analyses for 87 air-core drill-holes totalling 3516m and 93 SG samples taken from four PQ diamond holes drilled in August 2012. Drill hole locations are shown in Figure 5.

The OBM block grades were estimated by geostatistical interpolation using the inverse distance squared method. Parent block sizes were 100m x 100m x 1m vertical.

The original phosphate resource released on 12 August 2013 was restricted to northern, higher grade portion of Dinner Hill. Preliminary pit optimisation studies undertaken as part of the scoping study were run unconstrained and demonstrated that lower grades of phosphate mineralisation lying to the south of the original resource could be economically recovered. A comparison of the original and current resource areas is shown in Figure 2. The Dinner Hill Phosphate Indicated Mineral Resource now stands at 90Mt at a grade of 2.65% P₂O₅ above a lower cut-off grade of 1.85% P₂O₅. This represents a 55% increase in the resource tonnage with an attendant grade reduction of 12%.

The phosphate geological model was constrained by a 1% P₂O₅ envelope within wire framed sub-horizontal sedimentary formations. A mining scenario selectively rejecting the Gingin Chalk was simulated by including only those blocks that have a CaO : P₂O₅ ratio of less than 2.5 in the resource.

Mineral Resource Estimate

Geology

The project tenements cover two virtually horizontal greensand formations within the Cretaceous Coolyena Group: the Poison Hill Greensand, and the Molecap Greensand. Over most of the area of the deposit they are separated by the Gingin Chalk. An average thickness of about 11m of surficial, mostly sandy, cover overlies the greensand units. The greensands contain significant amounts of potash within the mineral glauconite and also significant phosphate contents. Figure 3 is an east-west cross-section through the deposit displaying phosphate intersections and geological units. Figure 4 is the same section showing the distribution of block grades.

Mineralisation

Within the area of Potash West's Dinner Hill drilling the lower portions of the Poison Hill Greensand, the Gingin Chalk, and the Molecap Greensand consistently contain more than 1% P₂O₅ (see 1% envelope in Figure 3), with the grades being higher and more consistent in the north of the area. The distribution of phosphatic drill-hole intervals averaging >2.2% P₂O₅ along 6,638,000N in the northern portion is shown on Figure 3.

Exploration

An aircore drilling programme of 83 vertical NQ holes for 3215m was carried out in June 2012 over a 10km² area immediately to the east of Wathingarra Rd, Figure 2. The drilling was undertaken to enable the estimation of Mineral Resources within the greensand units. The programme was based on a 400m by 400m grid, with a small area of infill drilling on 200m x 200m spacing.

A total of 2262 samples (1m splits) were submitted for assay to Genalysis from this drilling. Two drilling contractors were used during this programme:

- Bostech Drilling Australia completed 32 holes for 1288m, using a Bostech DrillBoss 200 truck-mounted aircore rig with a rig-mounted cyclone and rotary splitter;
- Easternwell Minerals completed 51 holes for 1927m, using a Rotomec R50 truck-mounted aircore rig.

A diamond core programme of four holes for 148m was carried out during August 2012. The programme was primarily to obtain core samples for bulk density determinations of the greensand units.

The holes, PWDD001 to 004, were drilled close to June 2012 aircore holes. The drill contractor was MacroDrill Pty Ltd, which used a G&K 850 rig and PQ3 coring to recover core with nominal 83mm diameter.

Sampling

Sampling and logging was supervised at all times by experienced geological personnel. Aircore drill samples of between 3 and 4kg were collected from each meter of drill advance using either a scoop sample or a rig mounted rotary splitter.

Samples preparation was at Genalysis Laboratory Services Pty Ltd facility in Maddington using their method FB1, a Phosphate Major Element Suite. Analyses were reported for K_2O , P_2O_5 , Al_2O_3 , SiO_2 , Na_2O , MgO , CaO , TiO_2 , MnO , Cr_2O_3 , Fe_2O_3 , SO_3 , and LOI.

Quality Control

Duplicate field splits were taken at the rate of 1 in 18 samples. Certified reference materials were inserted into the sample run at the same frequency. CRM has reviewed the results and is of the opinion that the sampling process and laboratory precision are robust.

Density

A total of 75.1m of core was collected from the lower portions of the four holes and 93 samples were submitted to for density determinations. The core samples selected for density determination, approximately 15cm in length were wrapped in glad-wrap. The remaining core was inserted into a plastic sleeves for transport and storage for possible metallurgical test-work. The density determinations were carried out by Metallurgy Labs, Welshpool.

Survey Control

Drill hole collars were located using hand held GPS units. The degree of accuracy is considered appropriate for the style of mineralisation.

Estimate Techniques

Nodular phosphate occurs in the Poison Hill Greensand, Gingin Chalk and the Molecap Greensand. A 1% P_2O_5 lower cutoff wireframe was used to constrain mineralisation.

Four lithology wireframes were created:

- Poison Hill Greensand:
- Gingin Chalk:
- Molecap Greensand:
- Phosphate Nodule Horizon occurring at the base of the Molecap.

Grade population studies supported the opinion that no upper cuts are necessary. Ore block dimensions were 100m EW, 100m NS and 1m vertical. Search criteria were based on ranges and isotropy defined by variography. Tonnage factors were allocated to blocks based on lithology using results established from the core program.

Metallurgical Testwork

Metallurgical testwork was undertaken by Strategic Metallurgy Pty Ltd and formed the basis for the Dinner Hill Phosphate Scoping Study. Preliminary outcomes from this work suggest favourable economics are likely where the grade of the mineralisation averages close to 2.65 % P₂O₅.

The process package consists of beneficiation studies involving screening, magnetic separation and flotation. The screening tests have been completed on samples from the phosphate resource with results indicating a 63% P₂O₅ recovery to the coarse fraction at a grade of 11% P₂O₅ and final concentrate grades in excess of 30% P₂O₅ after processing through a combination of screening, magnetic separation and flotation.

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About Potash West

Potash West (ASX: PWN) is an exploration company focused on developing potassium-rich glauconite deposits in West Australia's Perth Basin. The Company aims to define a substantial resource base and investigate how best to recover potash from the mineral. 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 market at a time of heightened 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 2,700km². Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 15km in width. A JORC Indicated Resource of 122Mt at 4.6% K₂O has been confirmed within 10km² at Dinner Hill, and an Exploration Target of 1 to 1.5Bt at a grade of between 4.0% and 4.8% K₂O, in the broader Dinner Hill region.

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.

Lower Cut-off Grade (% P ₂ O ₅)	Tonnes (Mt)	Grade (% P ₂ O ₅)	Grade (% K ₂ O)	Grade (% CaO)
3.00	23	3.5	3.5	6.1
2.75	34	3.3	3.6	5.8
2.50	47	3.1	3.6	5.4
2.25	62	2.9	3.6	5.1
2.00	79	2.8	3.6	4.7
1.90	87	2.7	3.6	4.6
1.85	90	2.65	3.6	4.5
1.80	93	2.6	3.6	4.5
1.75	97	2.6	3.6	4.4
1.50	111	2.5	3.6	4.2
1.25	123	2.4	3.6	4.0
1.00	131	2.3	3.6	3.9
0.00	132	2.3	3.6	3.96

Table 1: Dinner Hill Phosphate resource at various lower cutoff grades

Note: Figures in the above table have been rounded appropriately in accordance with the Australian JORC code 2012 guidance on mineral resource reporting

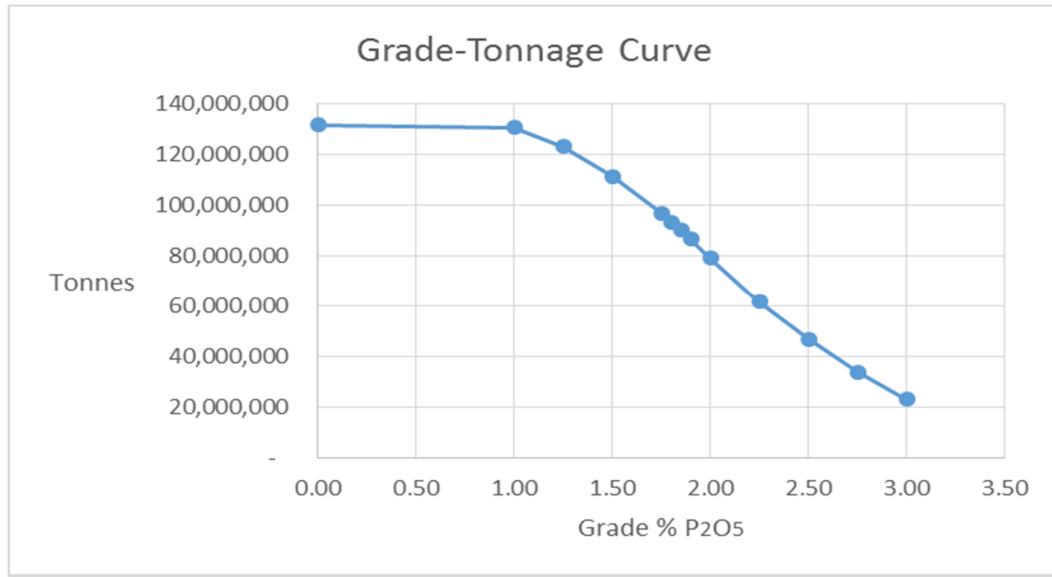


Table 2: Dinner Hill Phosphate resource grade tonnage curve

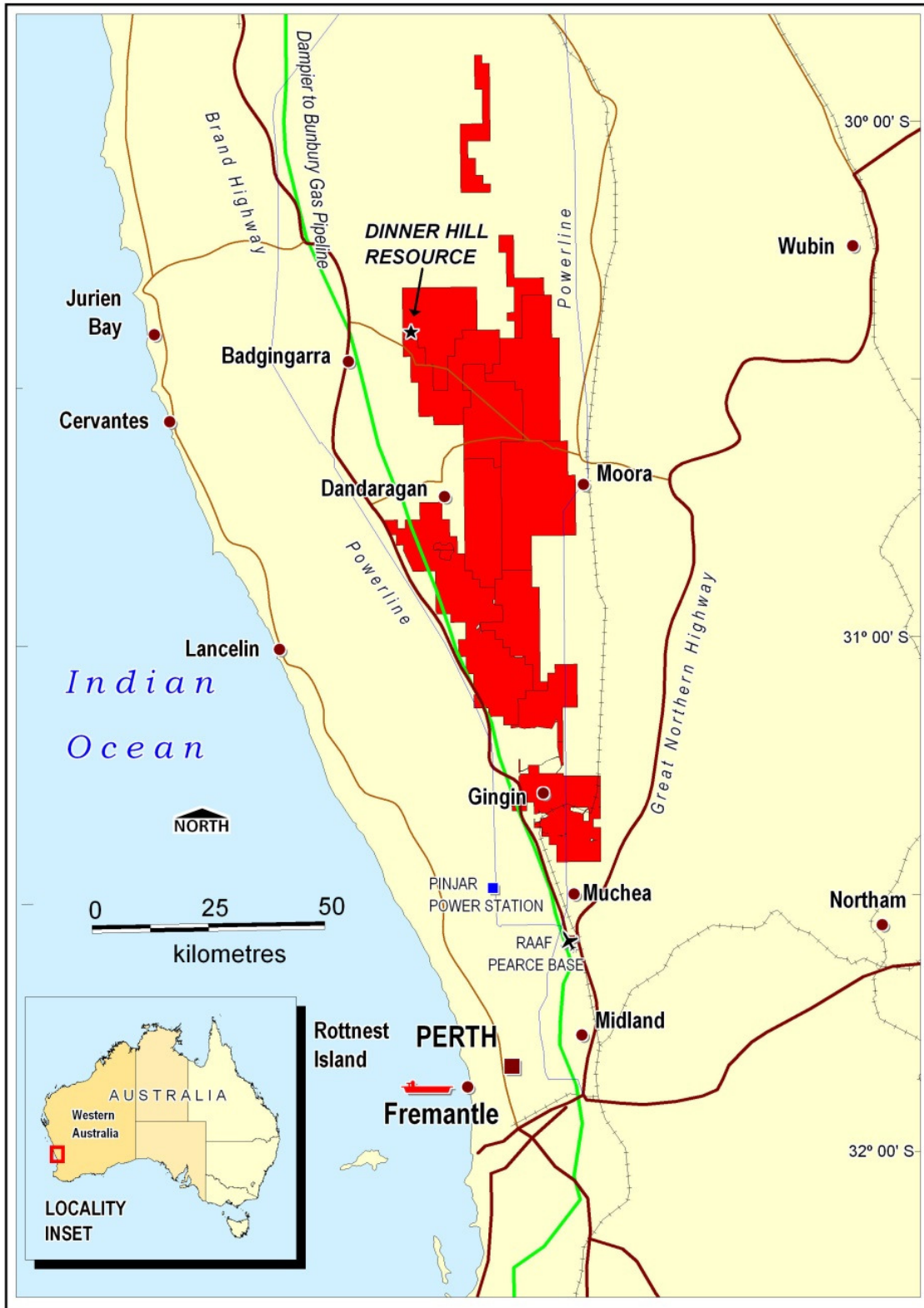


Figure 1: Dandaragan Project location plan

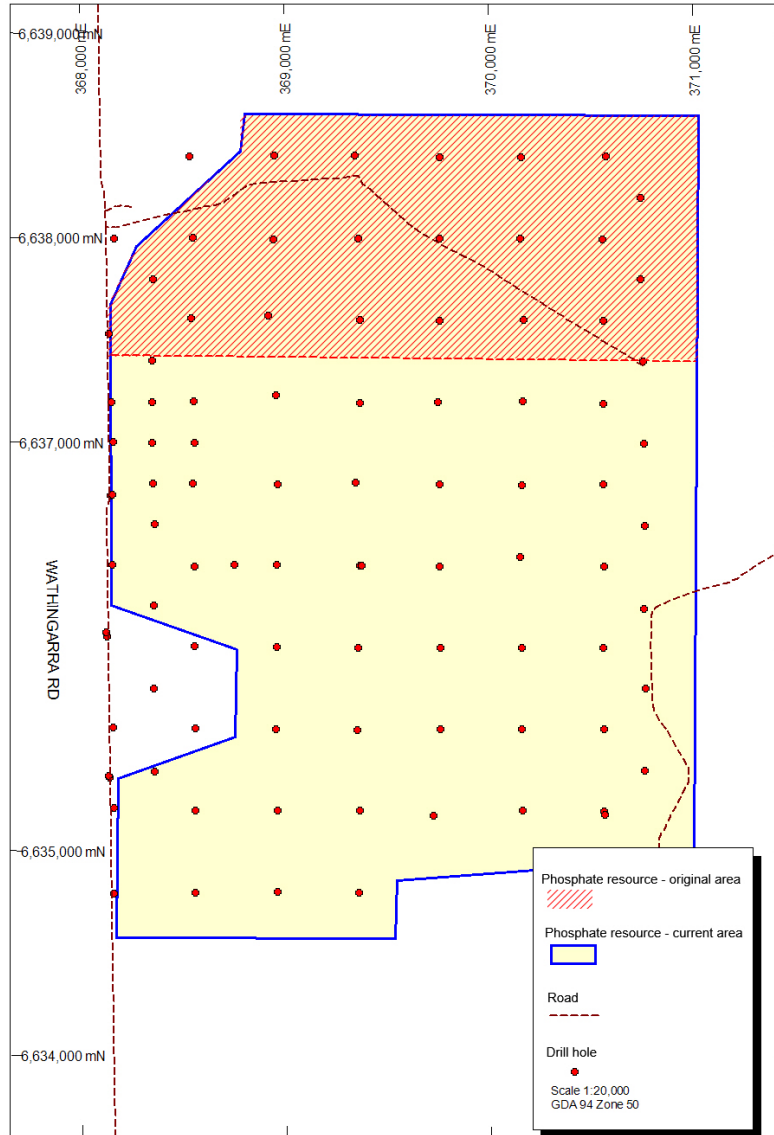


Figure 2: Dinner Hill phosphate resource showing original and current resource areas

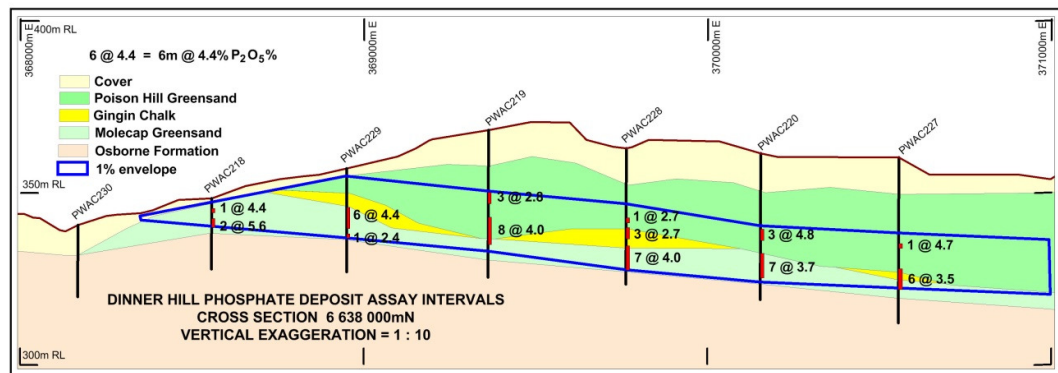


Figure 3: Dinner Hill assay intervals, section 6,638,000N

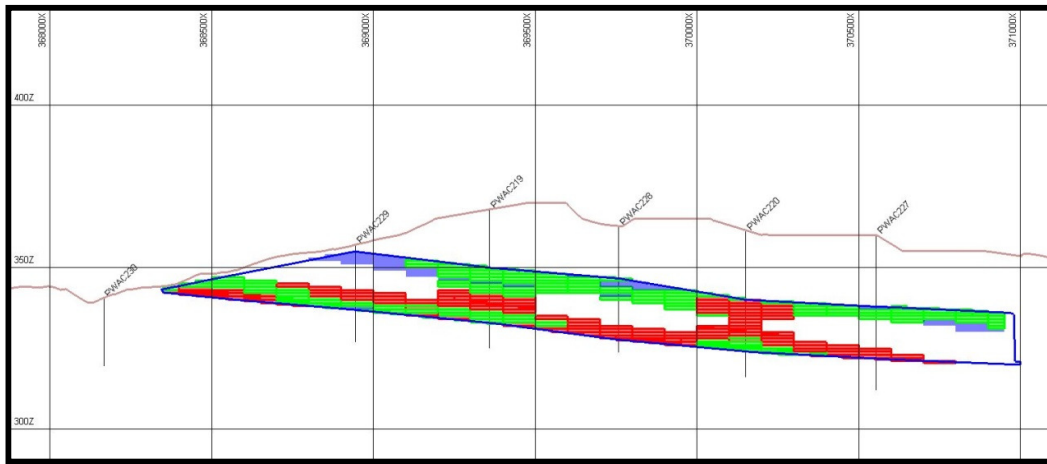


Figure 4: Dinner Hill Deposit OBM – Cross-section 663 8000N

P_2O_5 Grade: Blue: 1%-1.85%; green 1.85 to 3.0%; red >3.0%
only blocks with CaO:P₂O₅% <2.5 shown

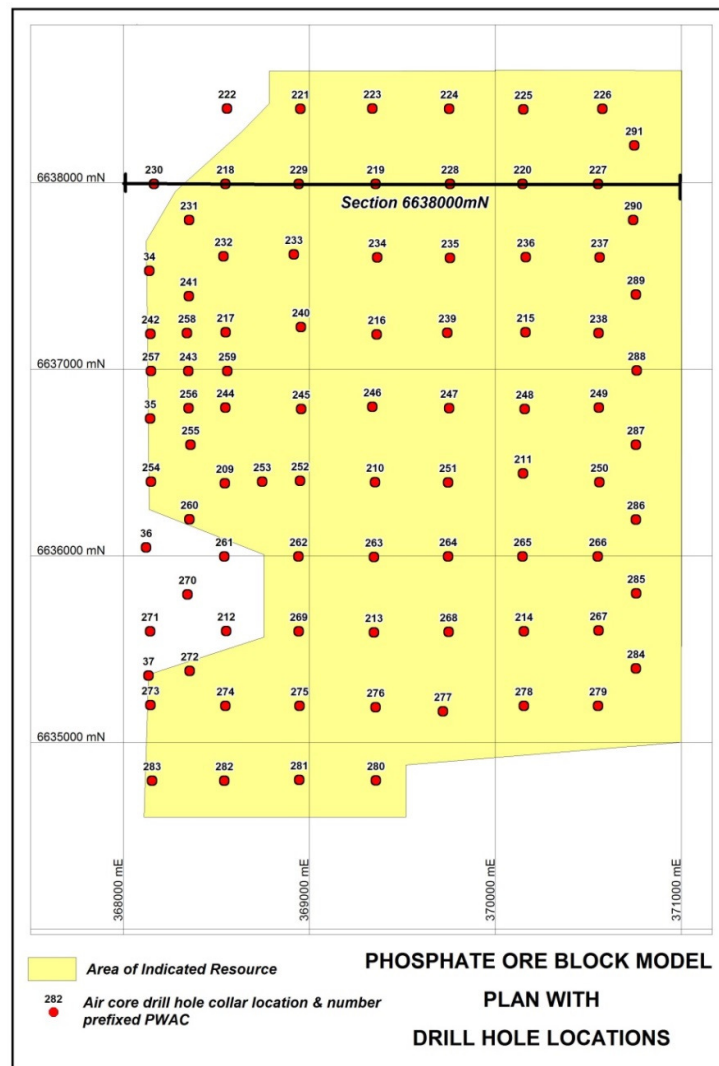


Figure 5: Dinner Hill phosphate ore block model plan with drill hole locations

JORC Code 2012, Edition – Compliance Table 1
Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> Air-core drilling was used to obtain 1m samples from target horizons; 3kg sub-samples were split by rotary splitter or by scoop sampling. Sub-sample size 3 to 4kg.
Drilling techniques	<ul style="list-style-type: none"> Vertical NQ Air-core
Drill sample recovery	<ul style="list-style-type: none"> Clay content of moist greensands ensured total recovery and retention of all size fractions; Holes were conditioned at completion and cyclone opened and cleaned before next hole drilled
Logging	<ul style="list-style-type: none"> All intervals geologically logged directly into a field computer using a database designed to capture relevant data including, oxidation, grainsize, rounding, sorting, mineralisation, hardness, colour and stratigraphic unit. All logging sample layouts are photographed and chip trays stored for future reference.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Duplicate field splits at a 1:18 ratio returned R² correlation coefficient of 0.96 for P₂O₅ indicating robustness of sampling process; Sample preparation by Genalysis Laboratory Services Pty Ltd via drying and total pulverisation
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> Analysis by Genalysis Laboratory Services Pty Ltd by Phosphate Major Element Suite FB1 method (XRF after lithium borate fusion); Two alternate phosphate standards were submitted with samples at a 1:18 ratio. For the P₂O₅ analyses the respective means of the analytical results of the standards were 9.74% and 4.94% as against the nominal standard means of 9.72% and 4.94%.
Verification of sampling and assaying	<ul style="list-style-type: none"> Sampling and logging verified by site visits by Exploration Manager and Independent Consultant. Logging checked against major element assays and sample photography; Assay entry by digital capture of laboratory files, with later verification of significant intervals against original files.
Location of data points	<ul style="list-style-type: none"> Holes located by GPS; Grid MGA_GDA94, Zone 50; Elevation data is based on a topographic contour set produced from SRTM imagery at 5m vertical resolution.
Data spacing and distribution	<ul style="list-style-type: none"> 1m samples collected and analysed throughout mineralized horizons; Geological continuity across deposit; Grade continuity over 1100m in 20°/300° orientation and 750m in 110°/290° orientation. As the holes were drilled on 400m spacing the geological and grade continuity is appropriate for the estimation procedure and the resource classification.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Vertical drilling through virtually horizontal stratigraphy resulted in intersected thickness equivalent to true thickness.

Criteria	Commentary
Sample security	<ul style="list-style-type: none"> Samples transported from site to laboratory by Potash West staff.
Audits or reviews	<ul style="list-style-type: none"> Sample techniques, logs, and data reviewed positively by independent consultant geologist.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The deposit is within E70/3987 held by Richmond Resources Pty Ltd. A deed is place between Richmond Resources and Potash West, whereby Potash West holds the rights to the glauconite and phosphate minerals and to any by-products produced processing these minerals. The tenement was granted on 26/07/2011 for a period of five years. The required expenditure has been met for the first two years. The deposit is beneath farm land owned by Roseville Nominees, with whom compensation agreements have been signed, with the mineral sub-surface rights subsequently being granted both above and below 30m below surface.
Exploration done by other parties	<ul style="list-style-type: none"> No exploration work was carried out in the area of the deposit prior to that by Potash West.
Geology	<ul style="list-style-type: none"> The phosphate is present as fluorapatite nodules and grains concentrated within particular horizons of horizontal greensand and chalk formations.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	<ul style="list-style-type: none"> Assay data copied digitally from laboratory files; significant intersections checked; Micromine drill-hole verification performed.
Site visits	<ul style="list-style-type: none"> Competent person visited site during drilling programmes in June and August 2012.
Geological interpretation	<ul style="list-style-type: none"> High degree of confidence in geological interpretation as stratigraphy is both visually and chemically distinct and continuous.
Dimensions	<ul style="list-style-type: none"> Resource has north-south length of 1200m and east-west length of 2850m. Minimum depth is 5m and maximum depth is 50m with majority of resource between 20m and 40m below surface; Mineralisation is closed to west by topography and tenure; open to north and to east; and of low grade to south.
Estimation and modelling techniques	<ul style="list-style-type: none"> Estimation of P₂O₅ ore block grades by IS2 within 1% P₂O₅ wireframe using Micromine software; Block size 100m x 100m x 1m vertical (sample spacing 400m x 400m x 1m); Search criteria 1100m to 20°; plunge 0°; 650m to 110°; dip 0.7° to 110°; and 2.5m vertical; Geological boundaries checked against grade shell; No previous estimates or mine production records available; No upper cuts as no outlying values; OBM grades validated by comparison with assay values.

Criteria	Commentary
Moisture	<ul style="list-style-type: none"> Tonnages estimated on dry basis.
Cut-off parameters	<ul style="list-style-type: none"> Estimate initially reported above a range of grades. Final report grade of above 1.85% P₂O₅ selected on basis of on-going Potash West studies; CaO:P₂O₅ ratio <2.5.
Mining factors or assumptions	<ul style="list-style-type: none"> Topsoil and overburden to be mined by scrapers and mineralisation to be mined by bulldozer feeding in-pit slurry unit.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> Slurry pumped to concentrator for screening, de-sliming, and flotation for production of sale-able grade phosphate rock suitable for feedstock for superphosphate production.
Environmental factors or assumptions	<ul style="list-style-type: none"> Waste and de-watered flotation tailings and slimes to be returned to mine-void and covered with stored topsoil.
Bulk density	<ul style="list-style-type: none"> Density determinations carried out on 93 PQ core samples by Metallurgy Pty Ltd and reported as dry densities; Poison Hill Greensand: 12 samples, median SG 1.45, mean SG 1.55, SG of 1.50 used; Gingin Chalk: 7 samples, median SG 1.53, mean SG 1.50, SG of 1.50 used; Molecap Greensand: 68 samples, median SG 1.64, mean SG 1.64, SG of 1.63 used; Nodule horizon: 6 samples, median SG 1.81, mean SG 1.80, SG of 1.80 used.
Classification	<ul style="list-style-type: none"> Classified as Indicated Resource as it is the Competent Person's view that the drill-holes from which resource is estimated clearly define both geological and grade continuity throughout the resource; and that the density data adequately reflects that of the deposit.
Discussion of relative accuracy / confidence	<ul style="list-style-type: none"> The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.

Competent Persons' Statements:

The information in this report that relates to the estimation of the Mineral Resources is based on and fairly represents information and supporting documentation prepared by J.J.G. Doepel, who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Doepel, Principal Geologist of the independent consultancy Continental Resource Management Pty Ltd, has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". This report is issued with Mr. Doepel's consent as to the form and context in which the Mineral Resource appears.

The metallurgical information in this report is based on and fairly represents information and supporting documentation compiled by Gary Johnson, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Johnson has sufficient experience relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Johnson is a Non- executive Director of Potash West and Managing Director of Strategic Metallurgy Pty Ltd. This report is issued with Mr. Johnson's consent as to the form and context in which the results appear.