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## **QUARTERLY ACTIVITIES REPORT**

**FOR THE 3 MONTHS ENDED  
31 MARCH 2014**

### **Highlights**

- ❖ **Lower Cost Federal Drilling Program being developed**
- ❖ **Improving Global Potash Market to benefit Project economics**
- ❖ **Manager for Project Joint Venture partner in place**

### **Hatch Point Potash Project**

#### **RECENT ACTIVITIES**

Science and engineering analytical work has been completed during the quarter to develop a lower cost drilling program for the recently permitted Federal area. Discussions were initiated with drilling contractors and lower cost drilling options are being reviewed by the Board.

During the past quarter, board directors Binninger and Murray accompanied by Moab based Manager of Business and Regulatory Affairs for the project, Don Hamilton, met with the San Juan County Commissioners as well as both the Utah State and local BLM officials to discuss drilling and project activities. During these visits, Mr Frank Hearne was introduced as the new manager of the Company's Joint Venture Partner. Mr Hearn was selected to take up this role previously held by Mr Keith Price who passed away in December 2013.

Enhanced communications were established with Fidelity Exploration and Development Corporation to facilitate geological data sharing between the two companies. Negotiations are well advanced to secure much of the water rights needed for the full project and a path forward was defined to secure any additional water rights that may be needed.

Technical planning and project funding continue as key priorities for the second quarter. With a strengthening potash business outlook and additional knowledge of lower cost drilling techniques it is expected the company will be in a better position to move the Hatch Point Project forward.

#### **ABOUT THE PROJECT**

Potash Minerals Limited has earned 90% of the Hatch Point Potash Project which covers 405km<sup>2</sup> in the Paradox Basin in south eastern Utah.

The Hatch Point Potash Project is located close to key agricultural regions of the United States and as such is well situated to supply fertilizer manufacturers and agricultural cooperatives in the western United States. The Project also has substantial export potential given its excellent proximity to key US rail infrastructure leading to West Coast ports.

The Hatch Point Potash Project comprises potash (KCl) mineralization in two beds of interest, Potash 13 and Potash 18, which occurs in two sub-beds. Potash 18 Upper is ubiquitous across the property, while Potash 18 Lower occurs locally to the southwest.

Independent consultant Agapito Associates, Inc. issued a Mineral Resource of **902.4 Mt at 20.3% KCl equivalent (12.8% K2O) average grade** at a 15.9% KCl equivalent (10% K2O) composite cut-off grade. The resource breakdown is summarized in Table 1. Detailed analysis of the Mineral Resource with geology, estimation methodology, and accompanying tables can be found in the 6 December 2013 ASX release titled "Resource Update for JORC 2012 on Hatch Point Potash Project".

The Mineral Resource includes both sylvinite and carnallite material with the sylvinite Mineral Resource estimated at **604Mt at 21.4% KCl** (13.5% K2O) average grade. At higher cut off grades the sylvinite resource stands at **303 Mt at 24.4% KCl** (15.4% K2O) average grade, and within this **104 Mt at 30% KCl** (18.9% K2O) average grade. The Mineral Resource estimate is defined on less than 20% of the 405 km<sup>2</sup> Project area. Additionally, only potash beds at least 2m thick and of greater than a 15.9% KCl-equivalent (10% K2O) composite grade were included in this resource estimate.

#### **RADAR IRON INVESTMENT (POTASH MINERALS' STAKE ~28%)**

For further information regarding Potash Minerals' 28% investment in Radar Iron Limited (RAD), visit Radar Iron's website [www.radariron.com.au](http://www.radariron.com.au)

## **ASX Announcements**

The Company made the following announcements during the quarter.

<b>Date</b>	<b>Headline</b>
28/02/2014	Half Year Accounts
03/02/2014	Quarterly Activities & Cashflow Report
22/01/2014	Exercise of Options

#### **For and on behalf of Potash Minerals Limited**

**Ananda Kathiravelu**

**Chairman**

**Potash Minerals Limited**

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**Fax: +61 8 9482 0505**

#### ***Previous Reported Results***

*There is information in this announcement relating to Mineral Resources at the Hatch Point Potash Project. Full details of the Mineral Resource were included in the following ASX Release and are available to view on the Company's website [www.potashmin.com.au](http://www.potashmin.com.au):*

1. 6 Dec 2013 - Resource Update for JORC 2012 on Hatch Point Potash Project

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate in the relevant market announcement continue to apply and have not materially changed. The Company 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.*

#### **Competent Persons Statement**

*The information in this report that relates to exploration results and Mineral Resources is based on information prepared by Ms. Vanessa Santos, the Chief Geologist and Mr. Leo J. Gilbride, Vice President, both with Agapito Associates, Inc. Ms. Santos and Mr. Gilbride are Registered Members of The Society of Mining, Metallurgy and Exploration (SME), a Recognised Overseas*

*Professional Organisation and are employed by Agapito Associates Inc.. Ms. Santos and Mr. Gilbride each have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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". Ms. Santos and Mr. Gilbride consented to the to the inclusion in the ASX Release dated 6 December 2013 "Resource Update for JORC 2012 on Hatch Point Potash Project" of the matters based on their information in the form and context in which it appears.*

*A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.*

## Appendix 1

**Table 1: Hatch Point Potash Project Mineral Resource**

(Based on a 15.9% KCl (10% K<sub>2</sub>O) composite grade cut-off and a 2.0-m bed thickness cutoff)

Bed	Mineralogy	Average Thickness (m)	Resource Area (km <sup>2</sup> )	In-Place Tonnes (M) <sup>1,2</sup>	K <sub>2</sub> O (wt %)	KCl (wt %)
<b>Measured<sup>3</sup></b>						
P13 Upper	Sylvinite	-	-	-	-	-
P13 Lower	Sylvinite	3.2	0.87	5.0	12.9	20.4
P18 Upper	Sylvinite	-	-	-	-	-
	Carnallite	8.8	0.51	6.9	10.5	16.6
P18 Lower	Sylvinite	-	-	-	-	-
	Carnallite	2.7	0.51	1.9	15.2	24.1
<b>Total Measured</b>				<b>13.8</b>	<b>12.0</b>	<b>19.0</b>
<b>Indicated<sup>4</sup></b>						
P13 Upper	Sylvinite	-	-	-	-	-
P13 Lower	Sylvinite	3.4	4.91	29.5	12.6	20.0
P18 Upper	Sylvinite	-	-	-	-	-
	Carnallite	8.4	4.85	63.0	10.5	16.7
P18 Lower	Sylvinite	-	-	-	-	-
	Carnallite	2.7	4.05	15.5	15.1	24.0
<b>Total Indicated</b>				<b>107.9</b>	<b>11.7</b>	<b>18.8</b>
<b>Inferred<sup>5</sup></b>						
P13 Upper	Sylvinite	3.3	7.31	42.4	12.9	20.5
P13 Lower	Sylvinite	3.4	10.59	64.4	12.1	19.2
P18 Upper	Sylvinite	4.4	45.24	353.9	14.0	22.2
	Carnallite	7.9	14.09	170.9	10.7	17.0
P18 Lower	Sylvinite	4.9	12.53	108.1	13.0	20.7
	Carnallite	2.6	11.04	41.0	14.3	22.7
<b>Total Inferred</b>				<b>780.7</b>	<b>12.9</b>	<b>20.5</b>
<b>Total Measured, Indicated &amp; Inferred</b>				<b>902.4</b>	<b>12.8</b>	<b>20.3</b>

"-" indicates no significant mineralisation identified

1. Average bulk density of sylvinite 2.08 t/m<sup>3</sup>. Carnallite bulk density varies by grade; potential range 1.61 to 2.17 t/m<sup>3</sup>.
2. Bed thickness cut-off 2.0 m and composite grade cut-off of 10.0% K<sub>2</sub>O.
3. Measured Resource located within 400-m radius from an exploration hole.
4. Indicated Resource located between 400-m and 1,200-m radius from an exploration hole.
5. Inferred Resource located between 1,200-m and 2,400-m radius from an exploration hole.

The reader is cautioned that a Mineral Resource is an estimate only and not a precise and completely accurate calculation, being dependent on the interpretation of limited information on the location, shape, and continuity of the occurrence and on the available sampling results. Actual mineralisation can be more or less than estimated depending upon actual geological conditions.

The Mineral Resource statement includes Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there can be no certainty that further exploration work will result in the determination of Indicated or Measured Mineral Resources. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. No Mineral Reserves are being stated.

## Appendix 2

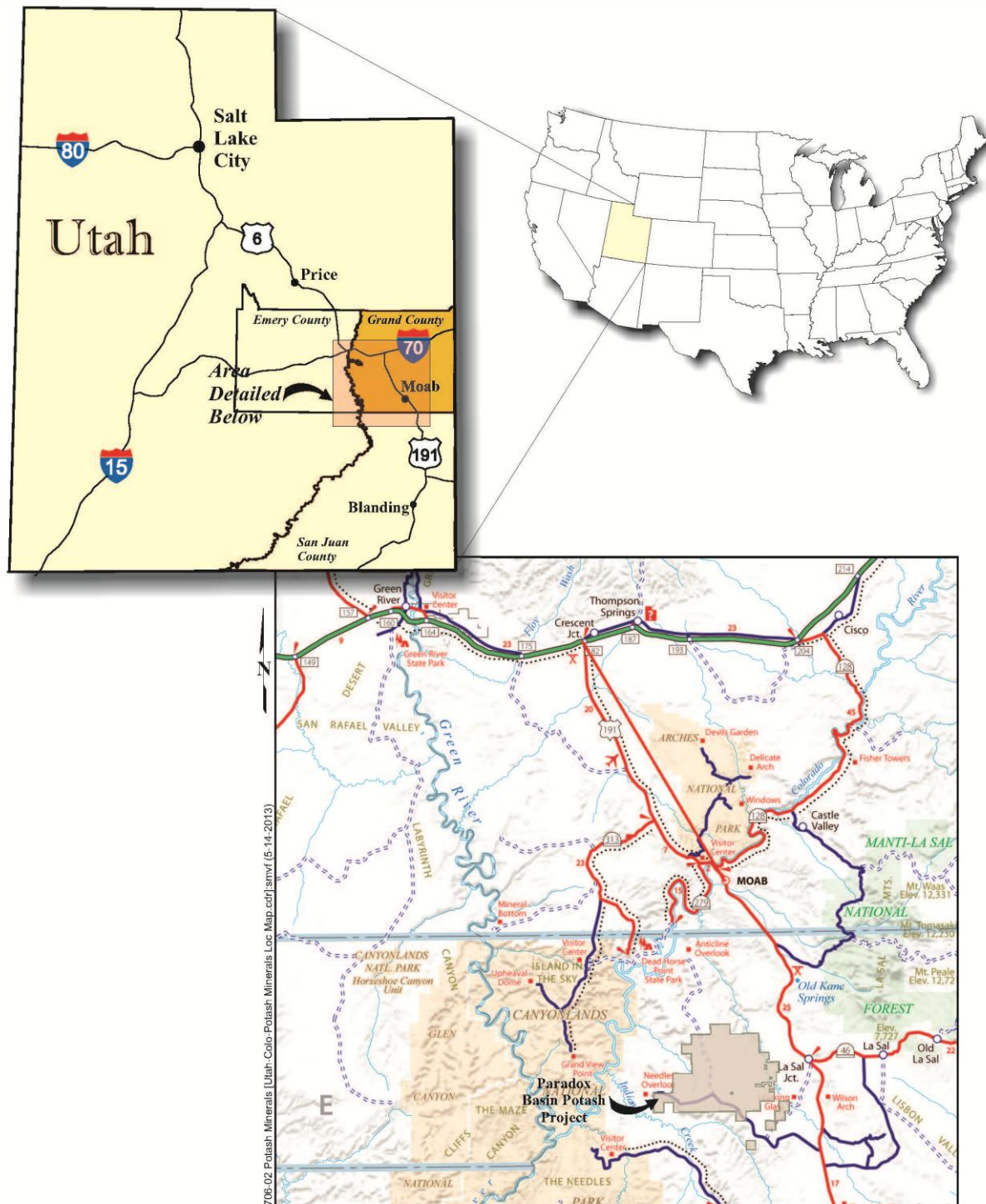
### Interests in Mining Tenements:

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed of during the quarter
<b><u>Hatch Point Potash Project</u></b>	Utah, USA			
<i>State Potash Leases</i>				
ML51725		90%	-	-
ML51726		90%	-	-
ML51727		90%	-	-
ML51728		90%	-	-
ML51729		90%	-	-
ML51730		90%	-	-
ML51731		90%	-	-
ML51732		90%	-	-
ML51733		90%	-	-
ML51734		90%	-	-
ML51735		90%	-	-
ML51736		90%	-	-
ML51737		90%	-	-
ML51738		90%	-	-
<i>Federal Potash Prospecting Permits</i>				
UTU 086430		90%	-	-
UTU 086573		90%	-	-
UTU 086574		90%	-	-
UTU 086575		90%	-	-
UTU 086579		90%	-	-
UTU 086580		90%	-	-
UTU 086581		90%	-	-
UTU 086583		90%	-	-
UTU 086584		90%	-	-
UTU 086585		90%	-	-
UTU 086586		90%	-	-
UTU 086587		90%	-	-
UTU 086588		90%	-	-
UTU 086589		90%	-	-
UTU 086590		90%	-	-
UTU 086591		90%	-	-
UTU 086592		90%	-	-
UTU 086593		90%	-	-
UTU 086594		90%	-	-
UTU 086595		90%	-	-
UTU 086596		90%	-	-
UTU 086597		90%	-	-

### Interests in Farm-in and Farm-out agreements

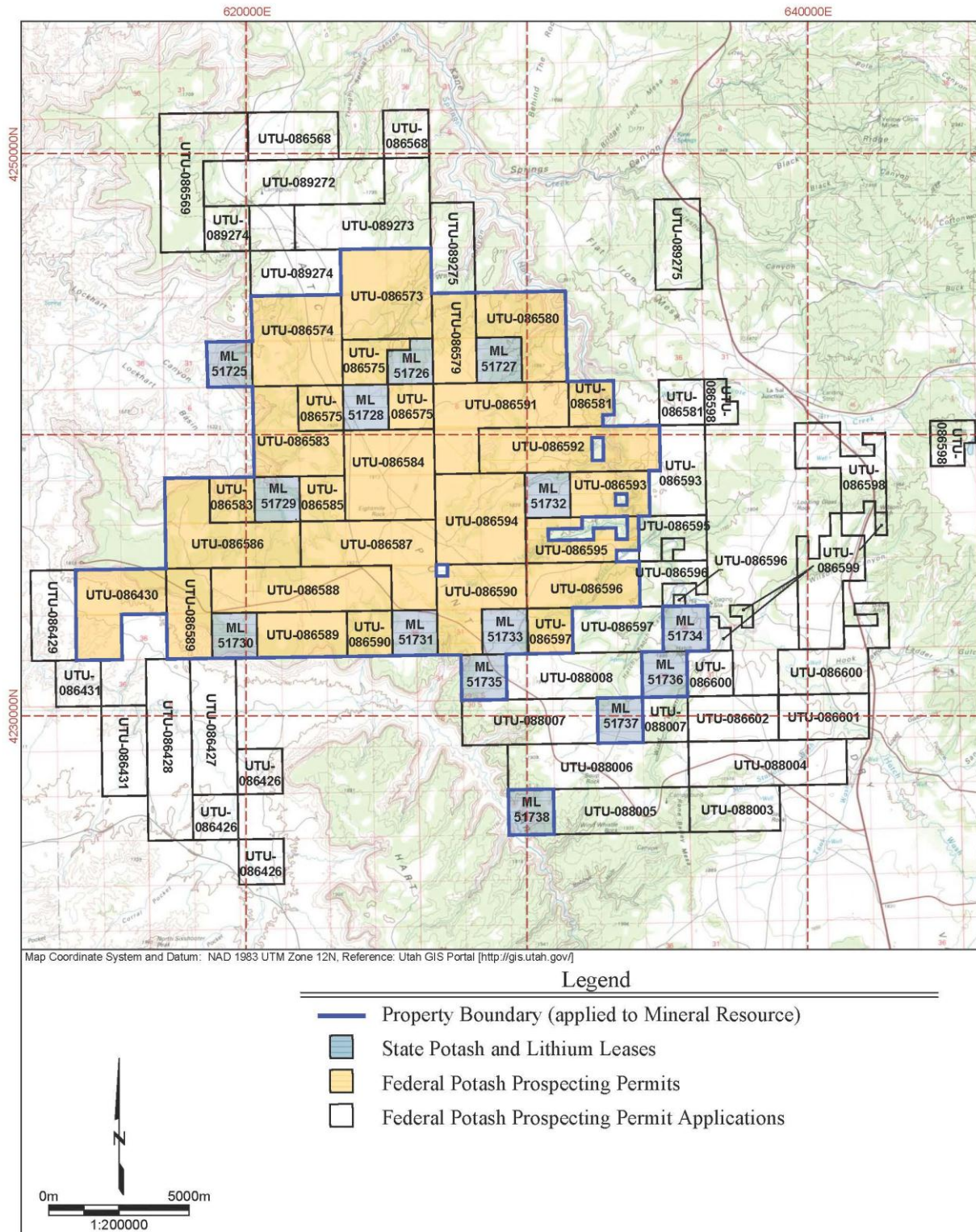
Potash Minerals currently has no farm-in or farm-out agreements in place over any projects.

**Figure 1: Project Location**





**Figure 2: Project Tenure**



706-02 Potash Minerals [706-02 Potash Minerals Base Map\_May 2013.dwg; Layout: Land Tenure].smvf (6-7-2013)

## 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 Minerals Limited

ABN

21 121 184 316

Quarter ended ("current quarter")

31 March 2014

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(83)	(286)
(b) development	-	-
(c) production	-	-
(d) administration	(165)	(584)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	26
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(239)</b>	<b>(844)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(239)</b>	<b>(844)</b>

+ See chapter 19 for defined terms.



1.13	Total operating and investing cash flows (brought forward)	(239)	(844)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1	2,199
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 – Capital Raising Costs	-	(235)
	<b>Net financing cash flows</b>	1	1,964
	<b>Net increase (decrease) in cash held</b>	(238)	1,120
1.20	Cash at beginning of quarter/year to date	1,499	155
1.21	Exchange rate adjustments to item 1.20	14	-
1.22	<b>Cash at end of quarter</b>	1,275	1,275

**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	91
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Includes amounts paid to directors including salaries and wages for director services as well as payments to a company associated with Ananda Kathiravelu relating to the provision of investor relations and marketing support on normal commercial terms.

**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

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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

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+ 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	30
4.2 Development	-
4.3 Production	-
4.4 Administration	130
<b>Total</b>	<b>160</b>

### 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	1,275	1,499
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,275</b>	<b>1,499</b>

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+ 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			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

### 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 <b>Preference + securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	97,115,915	97,115,915		
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs	6,977	6,977	20 cents	Fully paid

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+ See chapter 19 for defined terms.


Appendix 5B  
Mining exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.5 <b>*Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	48,220,948 1,000,000 1,000,000 2,250,000 2,250,000 500,000 200,000 1,562,500 200,000 <b>57,183,448</b>	48,220,948 - - - - - - - - - <b>48,220,948</b>	<b>Exercise Price</b> 20 cents 75 cents 100 cents 75 cents 100 cents 125 cents 125 cents 50 cents 60 cents	<b>Expiry Date</b> 30/11/2015 31/05/2014 30/11/2014 31/07/2014 31/07/2014 31/07/2014 30/11/2014 30/11/2014 30/11/2014
7.8 <i>Total</i> Issued during quarter				
7.9 Exercised during quarter	6,977	6,977	<b>Exercise Price</b> 20 cents	<b>Expiry Date</b> 30/11/2015
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.

## 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:   
(Company secretary)

Date: 30 April 2014

Print name: Mr. Phillip Wingate

## 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 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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