



ASX Announcement

11 May 2016

COMPANY DETAILS

ABN: 62 147 346 334

PRINCIPAL REGISTERED OFFICE

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ASX CODE

PWN

FRANKFURT CODE

A1JH27

OTC PINK

PWNNY

CORPORATE INFORMATION

11 May 2016

234M 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)

POTASH WEST REPORTS EXTENSION OF POTASH AND PHOSPHATE MINERALISATION TO THE SOUTH OF DINNER HILL

HIGHLIGHTS:

- **Thick sequences of geologically continuous, high grade potash mineralisation confirmed at Dinner Hill South.**
- **Significant intersections include**
 - **40m @ 4.35% K₂O from 24m in PWAC 511**
 - **34m @ 4.71% K₂O from 30m in PWAC 512**
- **New discovery is some 10km south of the current Dinner Hill resource and presents potential development alternatives.**
- **Mineralisation open to the north, west and east.**

Potash West NL (ASX: PWN) (**the Company**) is pleased to report on the results of drilling undertaken in March 2016.

The Company is progressing the Dinner Hill project within the Dandaragan Trough area in Western Australia, which contains phosphate and potassium rich deposits of greensands (Figure 1). The current land holding is over 2600 km², within which the Dinner Hill resource covers an area of 20 km² in the north-west of the trough and is easily accessible by sealed roads. The program consisted of 20 vertical aircore holes for a total of 676m across tenements E70/4609 and E70/4138, (Figure 2).

The objective was to test for the southern extension of potash and phosphate mineralisation in a geologically similar environment to the Dinner Hill Deposit. Dinner Hill is estimated to contain an Indicated Mineral Resource of 250Mt at 2.9% P₂O₅ and Indicated and Inferred Mineral Resources containing 195Mt at 3.8% K₂O (ASX Release 03 June 2015). The target horizons at Dinner Hill are the upper greensand units of the Coolyena Group, the Poison Hill Greensand and the Molecap Greensand. Of these the Molecap Greensand is host to the majority of the phosphate and potash mineralisation and as such is the preferred target.

Two areas were drilled. A road verge program on E70/4609 evaluated an area in the north of the tenement with traverses along Badgingarra and Wolba roads between 15km and 30km south of Dinner Hill. On E70/4138 recently concluded land access agreements permitted drilling on a freehold land, Lot 7 Mundegar, some 10km south of Dinner Hill.

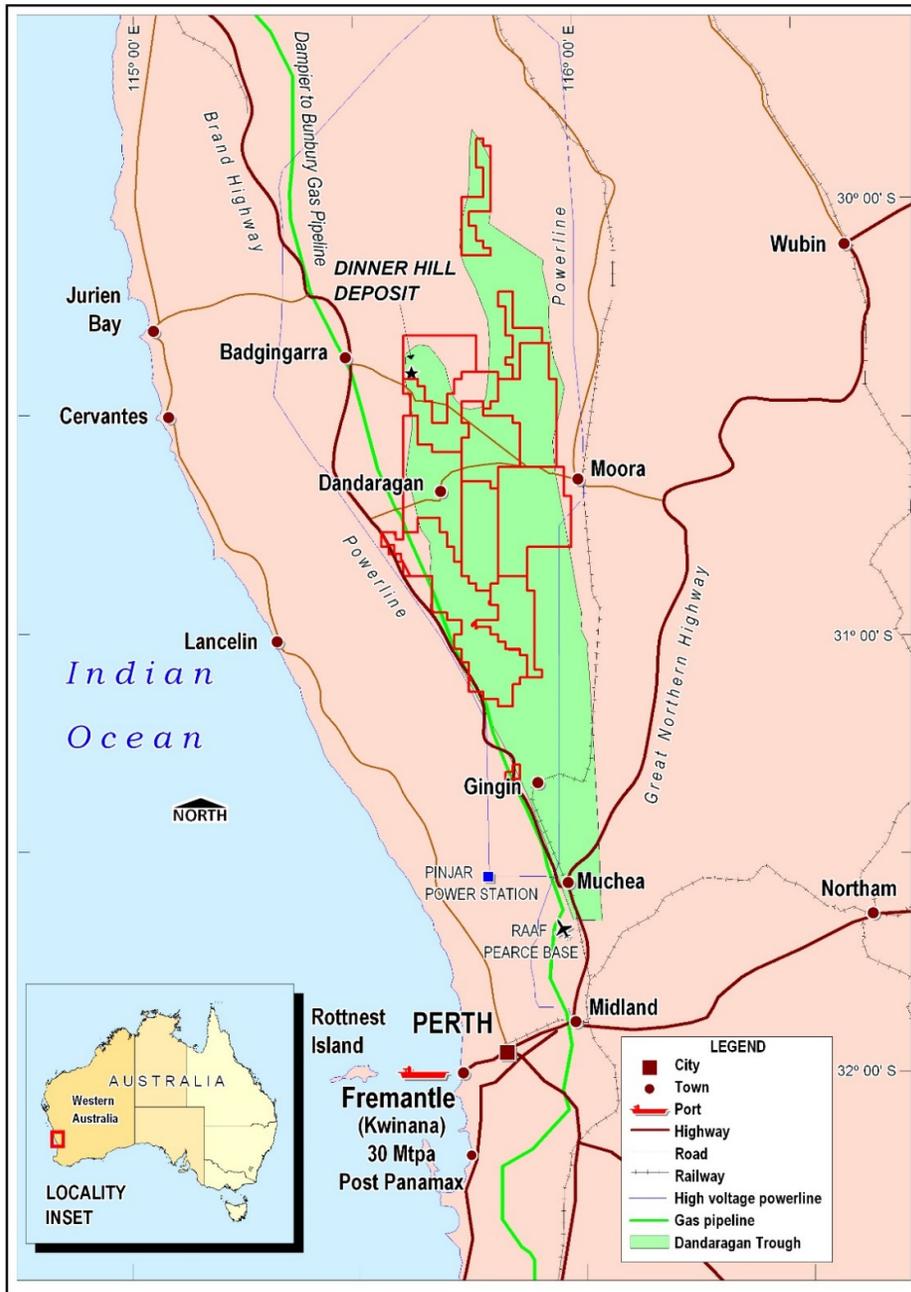


Figure 1: Dandaragan Trough

Potash West Managing Director, Patrick McManus, said “we are excited about the grade and thickness of the potash mineralisation lying to the immediate south of our Dinner Hill resource. The thickness of the mineralised units has the potential to lower strip ratios and improve mining economics. These results demonstrate continuity of phosphate and potash mineralisation to the south. With additional drilling, the new discovery is likely to offer alternative development options for the project. Further drilling will be targeted at establishing a resource on Dinner Hill South”

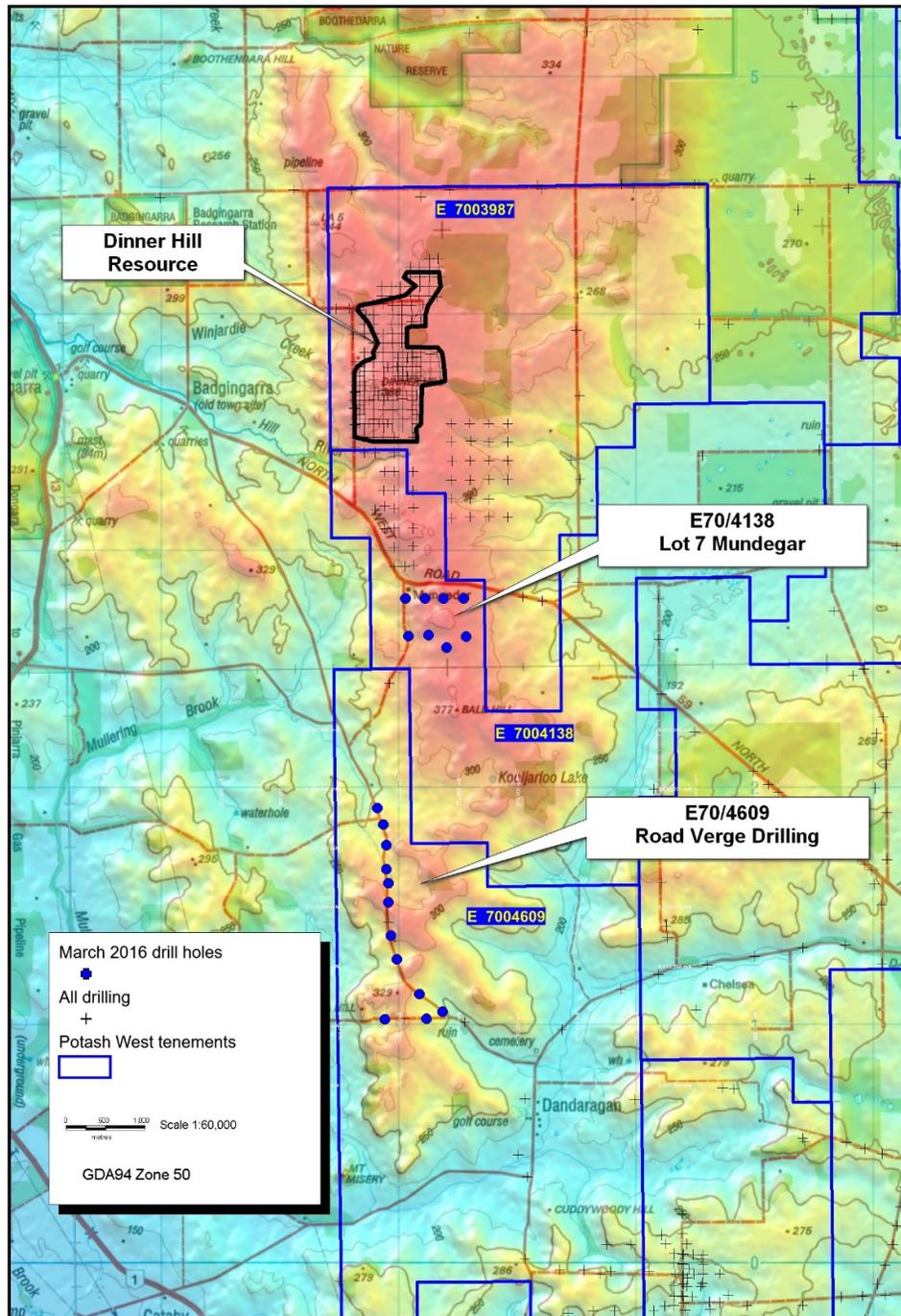


Figure 2: Location plan, March 2016 aircore drilling

RESULTS

Thick sequences of high grade potash mineralisation were intersected on the central and eastern part of Lot 7 (Figure 3). Of significance is the fact that the mineralisation is open to the north, east and south. The base of oxidation is generally shallow with much of the profile well preserved with potash mineralisation starting at a depth of 2m in PWAC512.

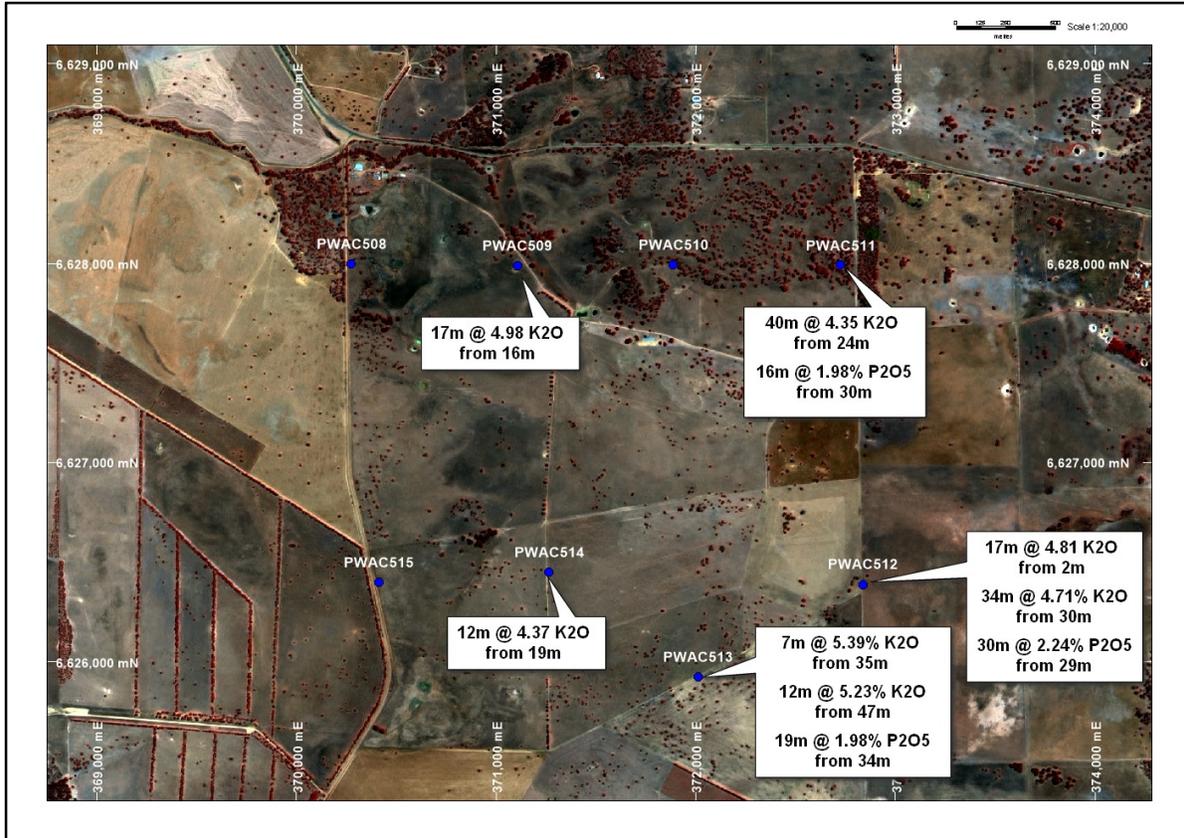


Figure 3: Summary drill intercepts Lot 7, E70/4138

Deep weathering along the road verge traverse in E70/4609 has resulted in only a single hole, PWAC502 having significant potash mineralisation (Figure 4). Phosphate intercepts were sporadic with high grades over narrow intervals.

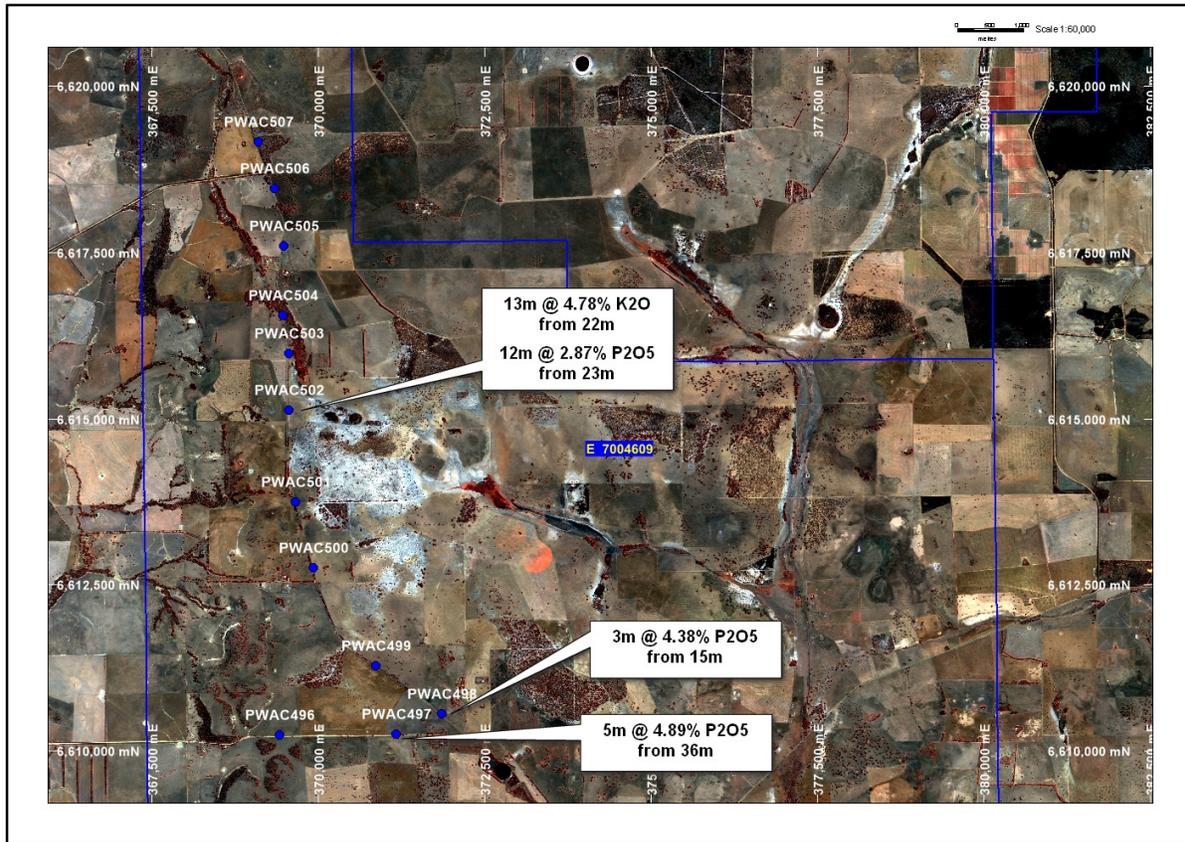


Figure 4: Summary drill intercepts road verge traverse E70/4609

GEOLOGY

E70/4138 – Lot 7

Eight holes were drilled on Lot 7, Mundegar on an approximate 800m by 1600m grid. Greensand units thickened to the east with the Poison Hill Greensand attaining a thickness of 43m and the Molecap Greensand being up to 16m thick. The Poison Hill Greensand is variably oxidised. Encouragingly the preferred target unit, the Molecap Greensand is well preserved and unoxidised over much of the property

E70/4609 – Road Verge Drilling

Both host units, the Poison Hill Greensand and the Molecap Greensand were intersected in 8 out of the 10 holes drilled. The greensands were found to be up to 12-15m thick over the majority of the traverse. There is a noticeable thinning to 3-4m in the north where elevations are reduced and large portions of the target horizons have been removed by erosion. Much of the target sequence along the traverse has been pervasively oxidised with an attendant decrease in both potash and phosphate grades.

RESULTS

E70/4138 – Lot 7

Significant widths of potash mineralisation were intersected in Lot 7 with a best intersection of 40m @ 4.35% K₂O from 24m in PWAC511. Depth to potash mineralisation from surface is on average 19m varying from only 2m, (PWAC512) to 35m (PWAC513). Encouragingly, the mineralised Molecap Greensand continues to thicken to the south. On Lot 7 it averages around 14m thick compared with the Dinner Hill resource area where the unit was, on average, some 9m thick.

Nodular phosphate mineralisation was restricted to the east of the property. The best result was 30m @2.24% K₂O from 29m in PWAC512.

Hole	East (m)	North (m)	RL (m)	From (m)	To (m)	Interval (m)	K ₂ O %	P ₂ O ₅ %
PWAC509	371106	6627991	334	16	33	17	4.98	
PWAC511	372725	6627993	344	24	64	40	4.35	
				30	46	16		1.99
PWAC512	372837	6626389	341	2	19	17	4.81	
				30	64	34	4.71	
				29	59	30		2.24
PWAC513	372011	6625927	347	35	42	7	5.39	
				47	59	12	5.23	
				34	53	19		1.98
PWAC514	371263	6626449	329	19	31	12	4.37	

Table 1: E70/4138 Significant intersections

Note:

Coordinate system is the MGA94, Zone 50

All holes drilled vertical

Composite parameters

- Lower cut-off grade 2% K₂O
- Fe/K ratio <4.75 (to exclude oxidised material)
- Al/K ratio <2.5 (to exclude refractory potash from feldspars)
- Lower cut-off grade 1% P₂O₅
- CaO/ P₂O₅ ratio >0.66 to exclude currently unrecoverable secondary phosphate

E70/4609 – Road Verge

Significant potash mineralisation was only intersected in a single hole, PWAC502, 13m @ 4.78% K₂O from 22m. This reflects the deep weathering along the traverse with resulting leaching of potash from the profile. Phosphate grades were generally above the Dinner Hill resource grade but intersections were generally narrow.

Hole	East (m)	North (m)	RL (m)	From (m)	To (m)	Interval (m)	K ₂ O %	P ₂ O ₅ %
PWAC497	371166	6610251	289	36	41	5		4.89
PWAC498	371856	6610550	257	15	18	3		4.38
PWAC502	369562	6615141	311	23	35	12		2.87
				22	34	13	4.78	

Table 2: E70/4609 Significant intersections

Note:

Composite parameters are detailed with Table 1

For further information, contact:

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Attachments:

Appendix 1 JORC CODE ,2012 EDITION- Table1

Appendix 2- March 2016 drill hole details

About Potash West

Potash West (ASX:PWN) is an exploration and development 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. A pre-feasibility 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:

The information in this report that relates to Exploration Results is based on information compiled by Lindsay Cahill, who is a member of the Australian Institute of Geoscientists. Mr. Cahill is a consultant to the mining industry, and 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. Cahill's consent as to the form and context in which the exploration results appears.

APPENDIX 1 - JORC CODE, 2012 EDITION – 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; • Hole spacing varied from 800m to 1600m
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 acceptable recovery and retention of all size fractions; • Holes were flushed and conditioned at completion of each 3m rod • Cyclone opened and cleaned at the completion of each rod
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"> • Samples were split by rig mounted rotary splitter to a sub-sample size of 3 to 4kg for dispatch to commercial laboratory for assay
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) • Internal laboratory checks reported with assays
Verification of sampling and assaying	<ul style="list-style-type: none"> • Sampling and logging verified by site visits by Exploration Manager. Logging checked against major element assays and sample photography; • Field duplicate samples were collected from the rotary splitter at the rate of 1 for every 18 routine samples. • Certified Reference samples submitted blind at the rate of 1 for every 18 routine samples. • Analysis of quality control data indicates a high level of repeatability of the elements of interest, • 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 hand held 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; • Hole spacing varied from 800m to 1600m
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Vertical drilling through virtually horizontal stratigraphy resulted in intersected thicknesses equivalent to true thickness.
Sample security	<ul style="list-style-type: none"> • Samples bagged and labelled by Potash West personnel • Samples transported to laboratory by approved commercial contractor

Criteria	Commentary
Audits or reviews	<ul style="list-style-type: none"> Historical 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"> E70/4609 is held and operated by Potash West NL The drilling in E70/4609 was conducted along Wolba and Badgingarra Roads and approved by the Shire of Dandaragan E70/4138 is held and operated by Potash West NL The drilling in E70/4138 is located on private freehold land owned by KLK Farms Pty Ltd 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"> Exploration for phosphate in the area of the current E70/4609 dates back to the 1940's. Potash West has carried out drill drilling in E70/4138 north of the current program
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; The potash is present as the mineral glauconite, which is a major constituent of the Molecap and Poison Hill Greensands and a minor constituent of the Gingin Chalk.
Drill hole Information	<ul style="list-style-type: none"> See Appendix 2.
Data aggregation methods	<ul style="list-style-type: none"> For composited intersections the following parameters have been adopted <ul style="list-style-type: none"> Lower cut-off grade 2% K₂O Fe/K ratio <4.75 (to exclude oxidised material) Al/K ratio <2.5 (to exclude refractory potash from feldspars) Lower cut-off grade 1% P₂O₅ CaO/ P₂O₅ ratio >0.66 to exclude currently unrecoverable secondary phosphate No upper cut used No metal equivalent values used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> Vertical drilling through virtually horizontal stratigraphy resulted in intersected thicknesses equivalent to true thickness.
Diagrams	<ul style="list-style-type: none"> Diagrams are included in the report
Balanced reporting	<ul style="list-style-type: none"> Grades are consistent across deposit; Intersection grades shown on diagrams show consistent hole to hole grades.
Other substantive exploration data	<ul style="list-style-type: none"> There is no unreported substantive exploration data
Further work	<ul style="list-style-type: none"> Infill drilling will be planned for Lot 7 in E70/4138 Step out drilling around positive intersections in E70/4609 will commence when agreement with landowners have been completed.

Appendix 2: March 2016 drill hole details**Note:**

Coordinate system is the MGA94, Zone 50
All holes drilled vertical

Hole	East (m)	North (m)	RL (m)	Depth (m)
PWAC496	369415	6610233	290	63
PWAC497	371166	6610251	289	54
PWAC498	371856	6610550	257	24
PWAC499	370866	6611280	282	30
PWAC500	369925	6612743	285	18
PWAC501	369660	6613737	299	27
PWAC502	369562	6615141	311	39
PWAC503	369554	6615983	290	18
PWAC504	369474	6616562	286	15
PWAC505	369485	6617595	291	21
PWAC506	369346	6618458	283	9
PWAC507	369103	6619160	272	6
PWAC508	370276	6628001	307	15
PWAC509	371106	6627991	334	41
PWAC510	371887	6627994	365	32
PWAC511	372725	6627993	344	73
PWAC512	372837	6626389	341	69
PWAC513	372011	6625927	347	59
PWAC514	371263	6626449	329	39
PWAC515	370412	6626401	302	24