

ASX Announcement



21 May 2015

COMPANY DETAILS

ABN: 62 147 346 334

PRINCIPAL AND REGISTERED OFFICE

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ASX CODE

PWN

FRANKFURT CODE

A1JH27

OTC PINK

PWNNY

CORPORATE INFORMATION

(21 May 2015)

201M Ordinary fully paid shares
36M Ordinary partly paid shares
5M Unlisted Options

BOARD OF DIRECTORS

Adrian Griffin
(Non-Executive Chairman)
Patrick McManus
(Managing Director)
Gary Johnson
(Non-Executive Director)
Chew Wai Chuen
(Non-Executive Director)

SUCCESSFUL COMMISSIONING OF WORLD FIRST L-MAX MINI-PLANT

Highlights:

- **First continuous production of lithium carbonate using the L-Max process**
- **Plant will be used for understanding process kinetics and optimizing conditions**
- **Plant will also produce product samples for market evaluation**

Potash West NL ('Potash West', 'PWN' or 'the Company') advises that Lepidico Ltd has constructed and operated a continuous process operation, using a small scale plant, to produce lithium carbonate from lepidolite, a lithium-rich mica. PWN owns 25% of Li-Technology Pty Ltd, with 75% owned by Strategic Metallurgy Pty Ltd ('SM'). PWN and SM are in the process of transferring the ownership of Li-Technology to Lepidico, in exchange for shares. Lepidico is charged with commercializing the technology. An announcement from Lepidico is attached.

BACKGROUND

Potash West NL is a mineral exploration company focused on developing phosphate and potassium-rich greensand deposits in West Australia's Perth Basin. The Company's flagship project is the Dandaragan Trough, which is one of the world's largest greensand deposits. The project has unique advantages in excellent connectivity to transport facilities, infrastructure and proximity to local markets.

The Company holds exploration licenses and applications in 12 tenements in the Dandaragan Trough region north of Perth. The tenements cover an area of 2,640 km² (see Figure 1).



Figure 1: Land Tenure Dandaragan Trough Project

PWN and SM have developed the K-Max process to treat glauconite to produce potash and other minerals. This IP is owned 100% by PWN. SM developed, at their own cost, the L-Max process, for lithium bearing micas. In recognition of the genesis of the lithium technology, SM agreed to vest 25% ownership of the lithium technology to PWN. PWN and SM are committed to working together to maximise the value of this IP to the benefit both shareholder groups.

MINI-PLANT

Lepidico has now constructed and operated the mini-plant, erected in a metallurgical laboratory in Perth, Western Australia. Continuous operations were carried out, using Lepidolite ore supplied by Cobre Montana NL (refer Cobre Montana ASX release 20 May, 2015).

Further runs will be carried out with this material, and ore from other project sites. In addition to providing information on processing conditions, this will provide marketing samples of lithium carbonate for evaluation by potential customers.

Managing Director Patrick McManus said “This is an important step in the development of the L-Max technology and the demonstration of its applicability to lithium extraction. The mini-plant will be a great asset for Lepidico to trial micas from other deposits, and will provide data to support the commercialization of the process. In addition the operation of the plant provides data that will feed into the further development of the K-Max process”

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About Potash West

Potash West (ASX:PWN) is an exploration company focused on developing phosphate and potassium-rich greensand deposits in West Australia’s Perth Basin. The Company aims to define a substantial resource base and investigate how best to recover potash and phosphate from the deposit. 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 fertiliser 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 more than 2,500km². Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 30km in width.

The company has the right to earn 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.

ATTACHMENT 1: ANNOUNCEMENT BY LEPIDICO



Announcement

L-Max mini-plant successfully commissioned.

16th May 2015

Lepidico is pleased to announce that, today, our mini-plant in Perth produced its first lithium carbonate product. The mini-plant is based on the Lepidico's L-Max process which extracts lithium from lithium rich micas, removes impurities and precipitates battery-grade lithium carbonate.



Lithium-rich solution on the right, and lithium carbonate on the left

The burgeoning demand for lithium into the battery industry has driven this development as it now allows lithium micas, long considered a waste material, to be treated as lithium ores. This potentially opens up new resources on which lithium projects can be based. Estimated operating costs for this process are comparable with current low cost producers (refer Cobre Montana ASX release 16 April 2015)

Lepidico has been fast tracking the development of the L-Max process to ensure it can commercialise the technology rapidly. The first laboratory tests were only conducted in September 2014. Since that time, the complete process, from ore to final products, has been confirmed through batch laboratory tests, and computer modelling. The phase of development announced here, the mini-plant, aims to confirm process parameters when the process is operated on a continuous and closed circuit basis as would be the case in a commercial plant.

Lepidico has a small but focussed team that will use the mini-plant in the next months to further define our understanding of the process conditions to enable the company to take the next steps to full scale commercial operation.

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