



# ASX Announcement

29 April 2016

## COMPANY DETAILS

ABN: 62 147 346 334

### PRINCIPAL REGISTERED OFFICE

Potash West NL  
Suite 3  
23 Belgravia Street  
Belmont WA 6104

### POSTAL ADDRESS

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Belmont WA 6984

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### ASX CODE

PWN

### FRANKFURT CODE

A1JH27

### OTC PINK CODE

PWNNY

### CORPORATE INFORMATION

(29 April 2016)  
234 M 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)

## March 2016 QUARTERLY REPORT

### HIGHLIGHTS

#### Dandaragan Trough

- Drilling programme completed
- Phosphate prices remain strong.
- FTI Consulting engaged to assist in identifying project investors.

#### Technology

- Lepidico agrees to purchase by Platypus Minerals (PLP)
- Potash West to become substantial shareholder (5.96%) of PLP on completion of transaction.
- Lepidico investigating a range of project opportunities.

#### South Harz Project, Germany

- Davenport seeking to list during Q3 2016, or earlier if possible
- Potash West to become substantial shareholder (29%) of DAV on completion of transaction.

### 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 2,600km<sup>2</sup> 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.

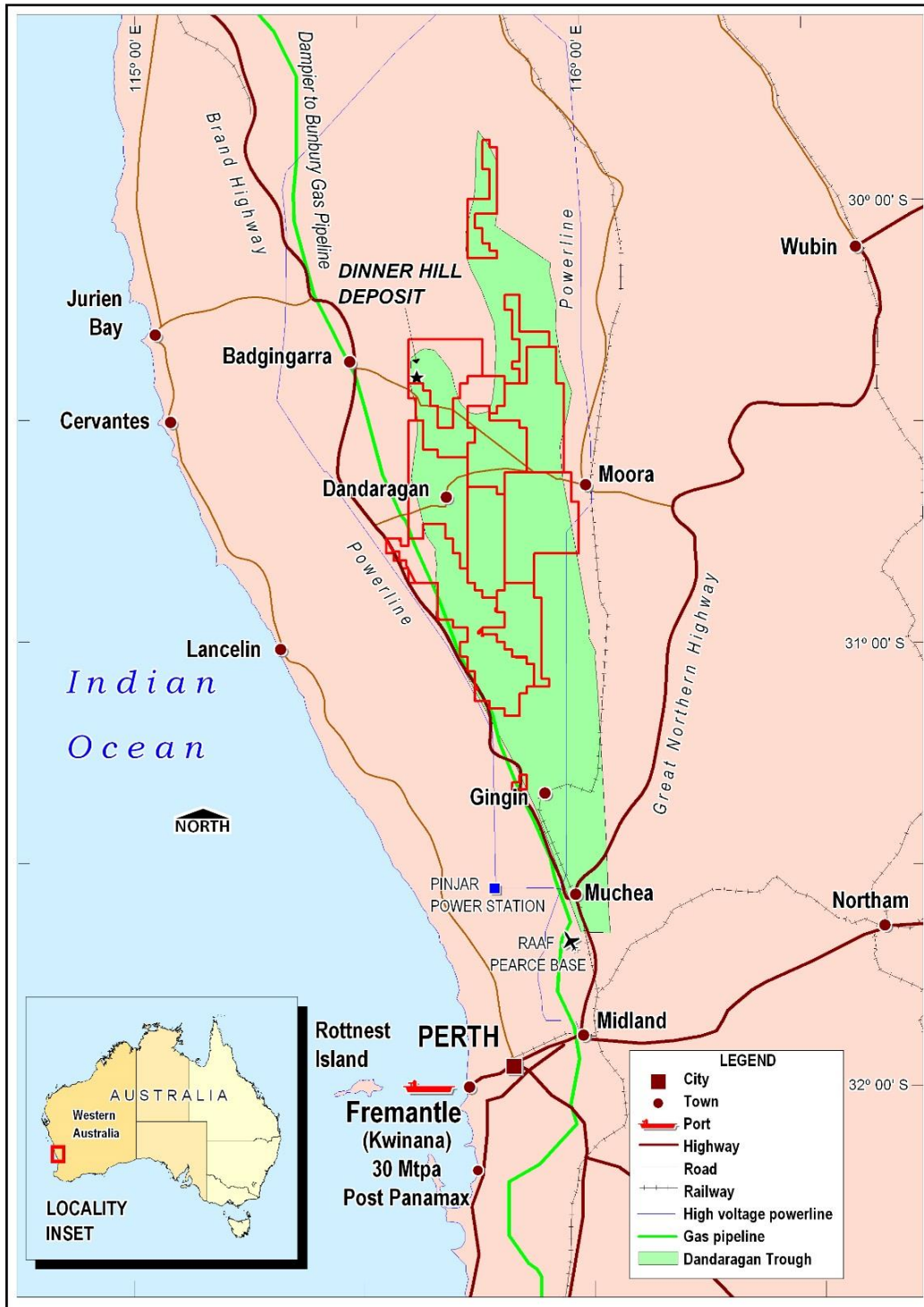


Figure 1: Location plan, Dandaragan Trough Project

## Mineral Resource

The Dinner Hill Resource now covers an area of some 18km<sup>2</sup>. The resource is shown below.

### Dinner Hill Deposit Resource Summary <sup>1</sup>

Resource	Category	Tonnes (Mt)	P <sub>2</sub> O <sub>5</sub> (%)	K <sub>2</sub> O (%)
<b>Phosphate</b>	<b>Indicated</b>	<b>250</b>	<b>2.9</b>	
<b>Potash</b>				
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
<b>Total Potash Resources</b>	Indicated	175		4.0
	Inferred	20		2
	<b>Totals</b>	<b>195</b>		<b>3.8</b>

Note: Totals may differ from sum of individual items due to rounding

**1 – ASX release 03 June 2015.**

The Dandaragan Trough project has unique advantages of excellent connectivity to transport facilities, infrastructure and proximity to local and regional markets. The Dinner Hill resource is located less than 200km from two major bulk export ports, Kwinana and Geraldton and is well situated in relation to major project infrastructure.

### Drilling Programme

A short drilling programme was carried out on EL 70/4609 ( 8 holes and 600 metres). Samples are in for analysis and will be reported in the June quarter.

### Dinner Hill Prefeasibility Study

Based on the new phosphate Indicated Mineral Resource of 250 Mt at 2.9% P<sub>2</sub>O<sub>5</sub>, a new mining plan was developed. The scoping study completed in 2013 (refer ASX announcement: 19 Sept 2013) has been updated. Major changes have been:

- Mining inventory increased from 80 Mt @ 2.8% to 237 Mt @ 2.9% P<sub>2</sub>O<sub>5</sub>.
- Mine life, for modelling purposes, increased from 20 years to forty years ( 150Mt of ore, 63 % of inventory).
- Selling price of single superphosphate, dropped from US\$ 350 to US\$227/t.
- Exchange rate dropped from \$A/\$US 90c to 70c.
- Average selling price dropped from \$A370 to \$A 320/t.
- Capital cost estimate increased from \$A136 to \$A205 M, due to inclusion of a sulphuric acid plant.
- Operating cost estimate reduced by 10%, due to reduction in mining and oil costs.

The update was reported to the ASX on 30 September 2015. Key metrics are:

- Project NPV \$378 million
- Capital Costs \$205 million
- EBITDA, pa \$52 million
- Revenue, pa \$128 million
- Cash costs, pa \$76 million
- Ore grade,
  - first 10 years 4.9% P<sub>2</sub>O<sub>5</sub>
  - 40 years 3.5% P<sub>2</sub>O<sub>5</sub>

These results indicate the possibility of a long-lived, significant scale project. This will underpin the long-term development of Dinner Hill as a supplier of fertilisers to the region, with the cashflow from phosphate production financing the progression of the K-Max project. Metallurgical testwork on a range of samples from Dinner Hill is in progress.

### Other

FTI Consulting have been engaged to work with PWN in identifying a Joint Venture partner to advance the Dinner Hill Fertiliser project. FTI Consulting are a business advisory firm, headquartered in Washington DC. They have a significant network in agricultural and finance industries in Australia, North America and Asia.

Prices for phosphate products are mixed, with phosphate rock stronger at \$US140/tonne (FOB Morocco) and single superphosphate weaker, at \$US 195/tonne (CPT Brazil) (CRU-Fertiliser Week). The Brazilian pricing may be impacted by current economic tightening in that country.

### Technology

The K-Max process has been developed by our technology partners, Strategic Metallurgy (**SM**). The development was financed by the Company and the IP is 100% owned by Potash West. SM have built upon the K-Max technology and developed an innovative process to extract Lithium from micas such as Lepidolite and Zinnwaldite.

In recognition of the importance of the K-Max process as a base for Lithium extraction, SM agreed to vest 25% ownership of the Lithium technology to Potash West, this takes the form of shares in a public unlisted company, Lepidico. Lepidico's activities are reported on its website: [www.lepidico.com.au](http://www.lepidico.com.au). As the Lepidico project has advanced PWN has been diluted and the current shareholding is approximately 13%. PWN and SM will work together to maximize the value of this IP to the benefit of both parties.

Platypus Minerals (**PLP**), an ASX listed company, has announced a binding agreement to purchase Lepidico (see ASX releases by PLP, February 1 and March 16, 2016). This will allow Lepidico to rapidly take advantage of a number of opportunities that are arising in the developing Lithium supply chain. If the transaction is completed as planned, Potash will own approximately 97 Million PLP shares.

## 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 2). 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 in the form of sylvinite (KCl/NaCl) and carnallite (KCl/MgCl) still remain in this region.

A review of some the archived exploration data relating to historical drilling on Kllstedt has been completed and an Exploration Target estimated. This work confirmed the potential of the project to host thick sequences of sylvinite and carnallite mineralisation over wide areas. A summary report is contained within the ASX announcement of 4 March 2015 and the full documentation provided by the Company's geological consultants is available on the Potash West website. Planning is in progress for a verification drilling program which is expected to consist of a 3 to 4 confirmatory holes which could allow reporting of a JORC compliant Inferred Mineral Resource.

The Company, and the other owners of EE, commenced negotiations with Arunta Resources (ASX:AJR), as reported to the ASX on 18<sup>th</sup> August 2015. The objective is to vend 100% of East Exploration into Davenport Resources (Davenport), in return for shares. Davenport was demerged from Arunta in February 2016 as reported to the ASX on 26 Feb 2016. The vending of the Company's shareholding in EE was approved by shareholders at the AGM on 30 November 2015. Davenport intends to list onto the ASX via a Prospectus offering to raise a minimum \$4M with over subscriptions of a further \$ 1M, sufficient for the verification drilling programme. On completion of a successful IPO, EE will be sold to Davenport, in return for shares.

Post listing PWN will own approximately 20 million Davenport shares (approximately 29% of the issued capital), plus performance shares to be issued on achieving certain project milestones. As part of the transaction Davenport has advanced \$100,000 to East Exploration, and will forward a further \$150,000, to fund work on planning the proposed drilling programme.

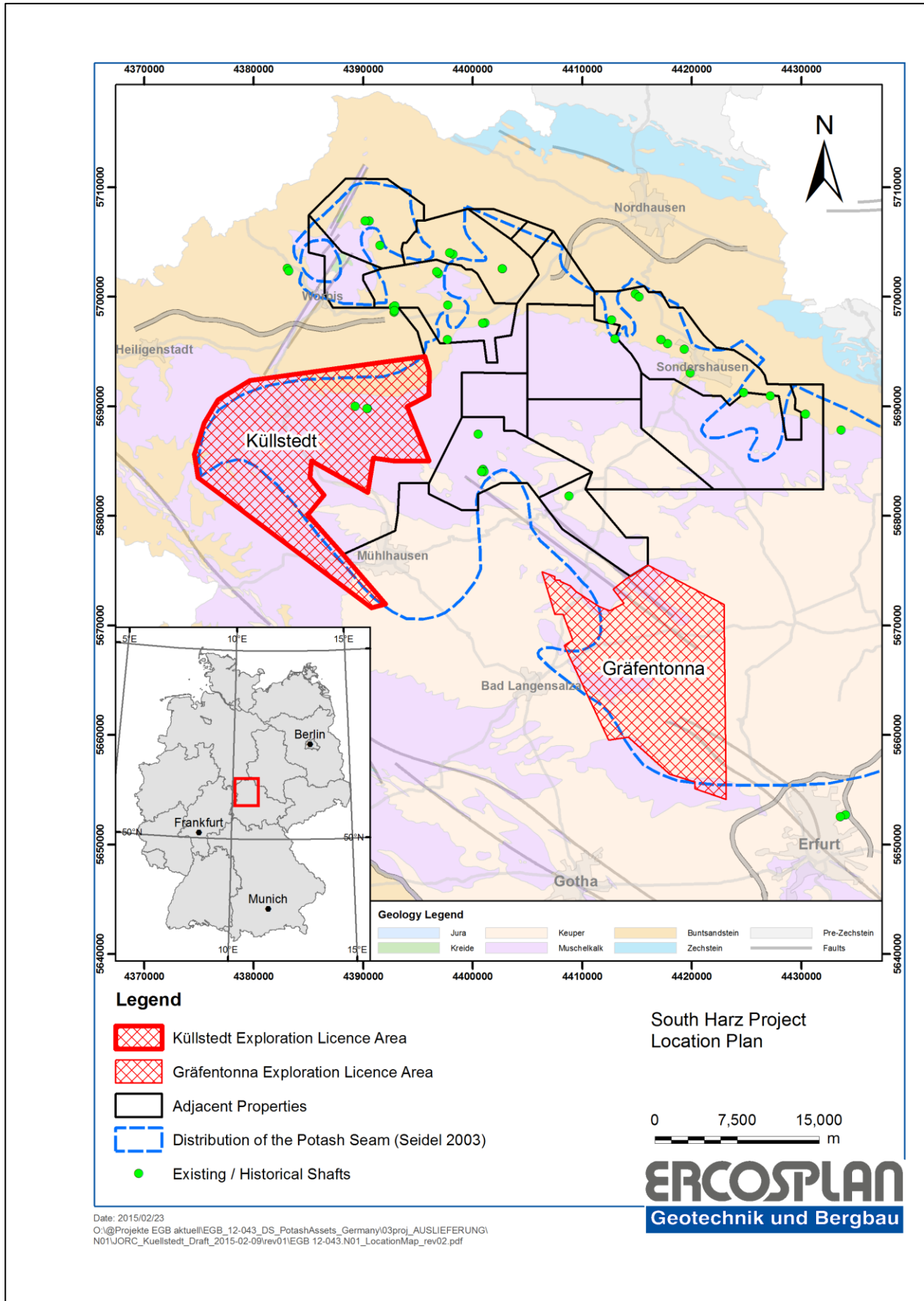


Figure 2: South Harz Project Location

**CORPORATE****Announcements**

The following ASX announcements were made during the quarter:

- March 16, 2016 Platypus Minerals' Acquisition of Lepidico
- March 15, 2016 Half Year Accounts
- March 8, 2016 Change in substantial holding
- March 1, 2016 PWN executes mandate with FTI Consulting
- Feb. 8, 2016 Proactive TV Interview
- Feb. 5, 2016 Response to ASX Query
- Feb. 2, 2016 Presentation to Investors
- Jan. 28, 2016 Quarterly Activities and Cashflow Reports
- Jan. 22, 2016 PWN Investor Briefings
- Jan. 15, 2016 Response to ASX price query

The following announcements were made subsequent to 31 March 2016:

- April 13, 2016 s708A Notice, Appendix 3B and Appendix 3Y's

**Cash on Hand**

At 31 March 2016, \$1.0 million cash was available.

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**Tenement Summary**

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

Country	Tenement	Tenement Interest held at 1 July 2015	Interest acquired / disposed of during quarter	Tenement Interest held at 30 September 2015
WA	E70/3418	100% <sup>(1)</sup>	N/A	100%
WA	E70/3987	100% <sup>(1)</sup>	N/A	100%
WA	E70/3988	100% <sup>(1)</sup>	N/A	100%
WA	E70/3989	100% <sup>(1)</sup>	N/A	100%
WA	E70/4124	Pending	N/A	Pending
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	0%	100%	100%
WA	E70/4687	Pending	N/A	Pending

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

For further information contact:

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 Managing Director  
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 Email: info@potashwest.com.au  
 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 2,600km<sup>2</sup>. 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:****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.*

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## 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 West NL

ABN

62 147 346 334

Quarter ended ("current quarter")

31 March 2016

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(149)	(443)
(b) development		
(c) production		
(d) administration	(249)	(941)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	4	15
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (Government grant and R&D refund)	-	179
<b>Net Operating Cash Flows</b>	<b>(394)</b>	<b>(1,190)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments	-	-
(c) other fixed assets	-	(3)
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>(3)</b>
1.13 Total operating and investing cash flows (carried forward)	(394)	(1,193)

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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(394)	(1,193)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	761
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 (Equity Raising Costs)	-	(90)
	<b>Net financing cash flows</b>	-	671
	<b>Net increase (decrease) in cash held</b>	(394)	(522)
1.20	Cash at beginning of quarter/year to date	1,414	1,542
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,020	1,020

**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	109
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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

**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

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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### 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	200
4.2 Development	
4.3 Production	
4.4 Administration	250
<b>Total</b>	<b>450</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	1,020	1,414
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>1,020</b>	<b>1,414</b>

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### 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	N/A	N/A	NIL
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	NIL

#### 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				
7.2				
7.3	232,326,236 35,960,024	232,326,236 35,960,024	Fully paid \$0.001	Fully paid \$0.049
7.4				
7.5				

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**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		100,000	-	\$0.400	8 September 2016
		100,000	-	\$0.600	8 September 2016
		500,000	-	\$0.150	7 February 2017
		1,992,188	-	\$0.087	6 November 2017
		17,750,000	17,750,000	\$0.070	30 November 2018
7.8	Issued during quarter	17,750,000	17,750,000	\$0.070	30 November 2018
7.9	Exercised during quarter				
7.10	Expired during quarter		-		
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

### 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: Patrick McManus  
(Director)

Date: 29 April 2016

Print name: Patrick McManus  
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### 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

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**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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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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