



# ASX Announcement

24 April 2018

## COMPANY DETAILS

**ABN:** 62 147 346 334

### **PRINCIPAL AND REGISTERED OFFICE**

Parkway Minerals NL  
Level 1, 675 Murray St.  
West Perth WA 6005

### **POSTAL ADDRESS**

PO Box 1088  
West Perth WA 6872

**W** [www.parkwayminerals.com.au](http://www.parkwayminerals.com.au)

**E** [info@parkwayminerals.com.au](mailto:info@parkwayminerals.com.au)

**P** +61 8 9479 5386

**F** +61 8 9475 0847

### **ASX CODE**

PWN

### **FRANKFURT CODE**

A1JH27

### **OTC PINK CODE**

PWNNY

## **CORPORATE INFORMATION**

### **24 April 2018**

534M Ordinary shares  
123M Partly paid shares  
17M Listed Options  
4M 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 2018 QUARTERLY REPORT

Parkway Minerals (“Parkway” or “The Company”) is pleased to provide an update of activities for the March quarter.

### HIGHLIGHTS

#### Lake Barlee Project

- All approvals received for first drilling programme
- Negotiations in progress with drilling companies

#### Strategic Investment

- PWN owns 7.32 Million Lithium Australia shares

#### Davenport Resources (37.1 Million shares held, 34%)

- Large JORC Inferred Resource confirmed at Ebeleben, 577 M tonnes at 12.1% K<sub>2</sub>O, comprising:
  - 324 M tonnes Silvinite at 15.6% K<sub>2</sub>O, and
  - 252 M tonnes of Carnallite at 7.5% K<sub>2</sub>O
- Historical resource confirmed at Mulhausen-Nohra, 1.1 B tonnes at 10.4% K<sub>2</sub>O
- Milestone 1 shares received, after period end

### LAKE BARLEE PROJECT

The Lake Barlee Project consists of 11 Exploration Licences and 2 ELAs, covering 1939 sq km, (fig 1). The lake is prospective for potash extraction from brine, with surface sampling indicating high potassium values and geophysical surveys indicating the existence of deep palaeochannels (fig 2). All approvals for drilling have been received. Discussions are in train with drilling companies. Drilling has been delayed by the availability of the specialized drilling rigs required for work on salt lakes.

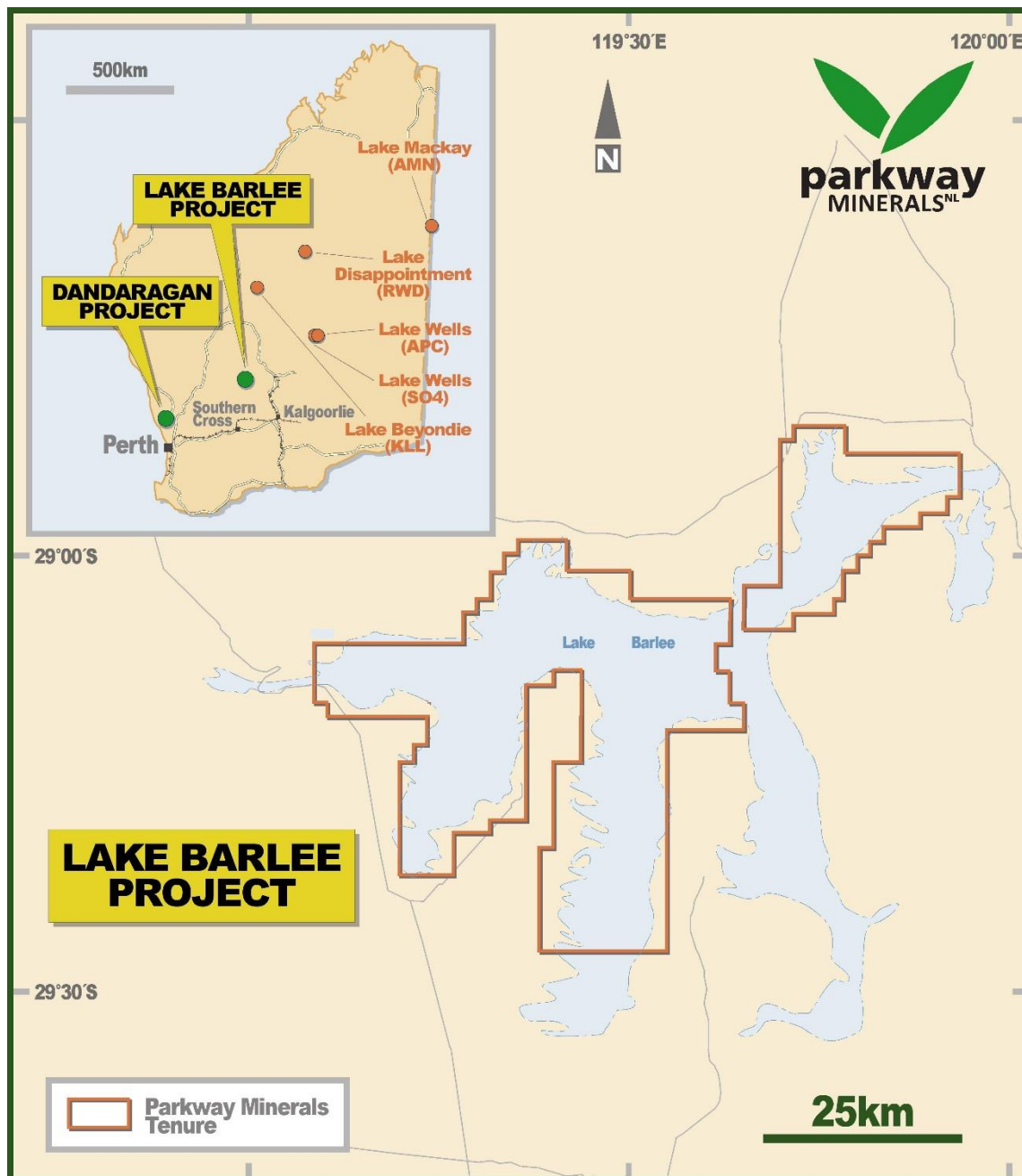


Figure 1 Lake Barlee Project area.

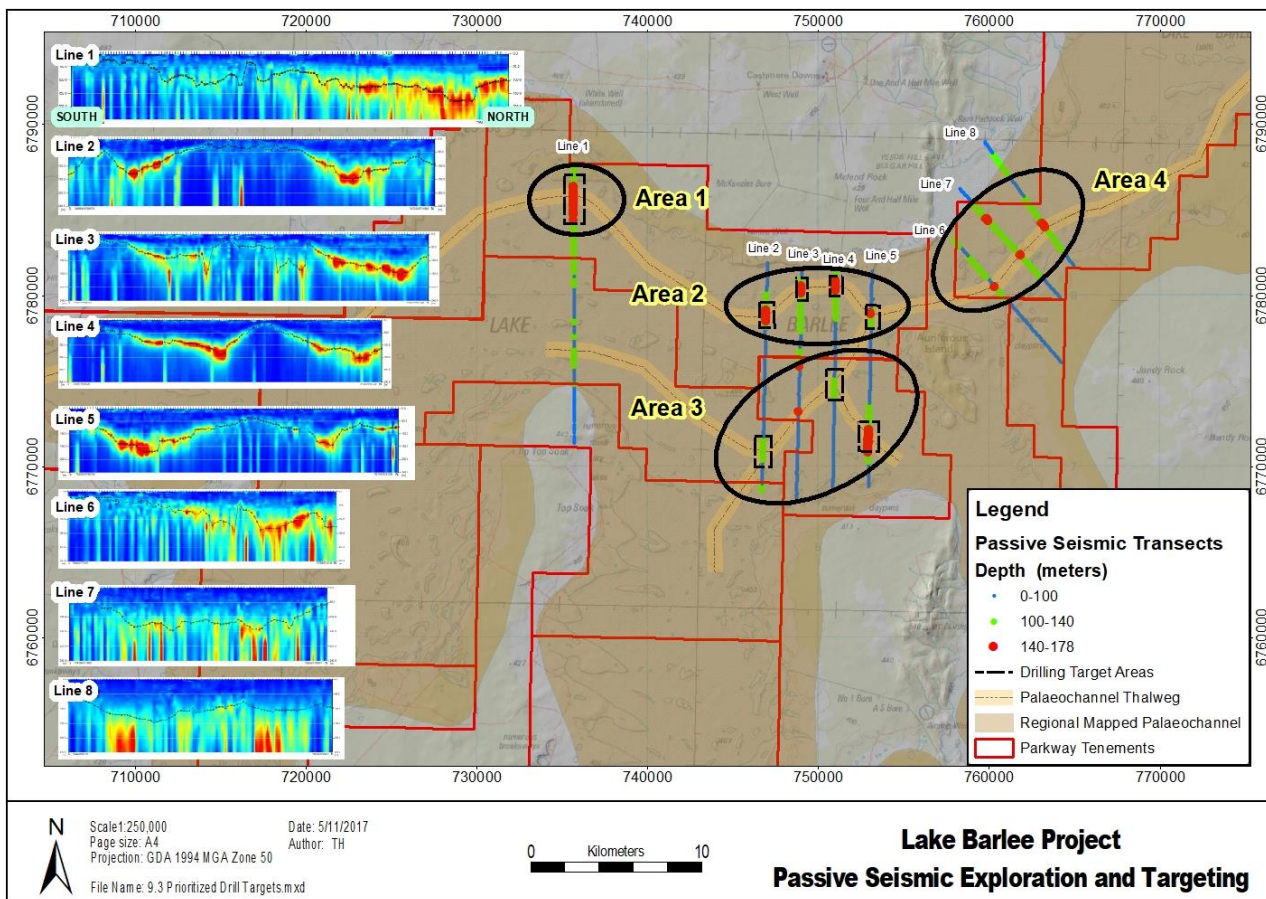


Figure 2 Lake Barlee : Seismic responses, interpreted palaeochannels and drill targets

Parkway has applied for additional exploration licences in the Lake Seabrook area, north of Southern Cross.

**DANDARAGAN TROUGH PROJECT**

Parkway has continued to hold the Dinner Hill Potash and Phosphate Deposit, located some 200km north of Perth in Western Australia, (Figure 3). Dinner Hill forms part of the larger Dandaragan Trough Project (DTP), where Parkway holds over 1,000km<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. The Dinner Hill Project covers some +332 km<sup>2</sup> within the DTP.

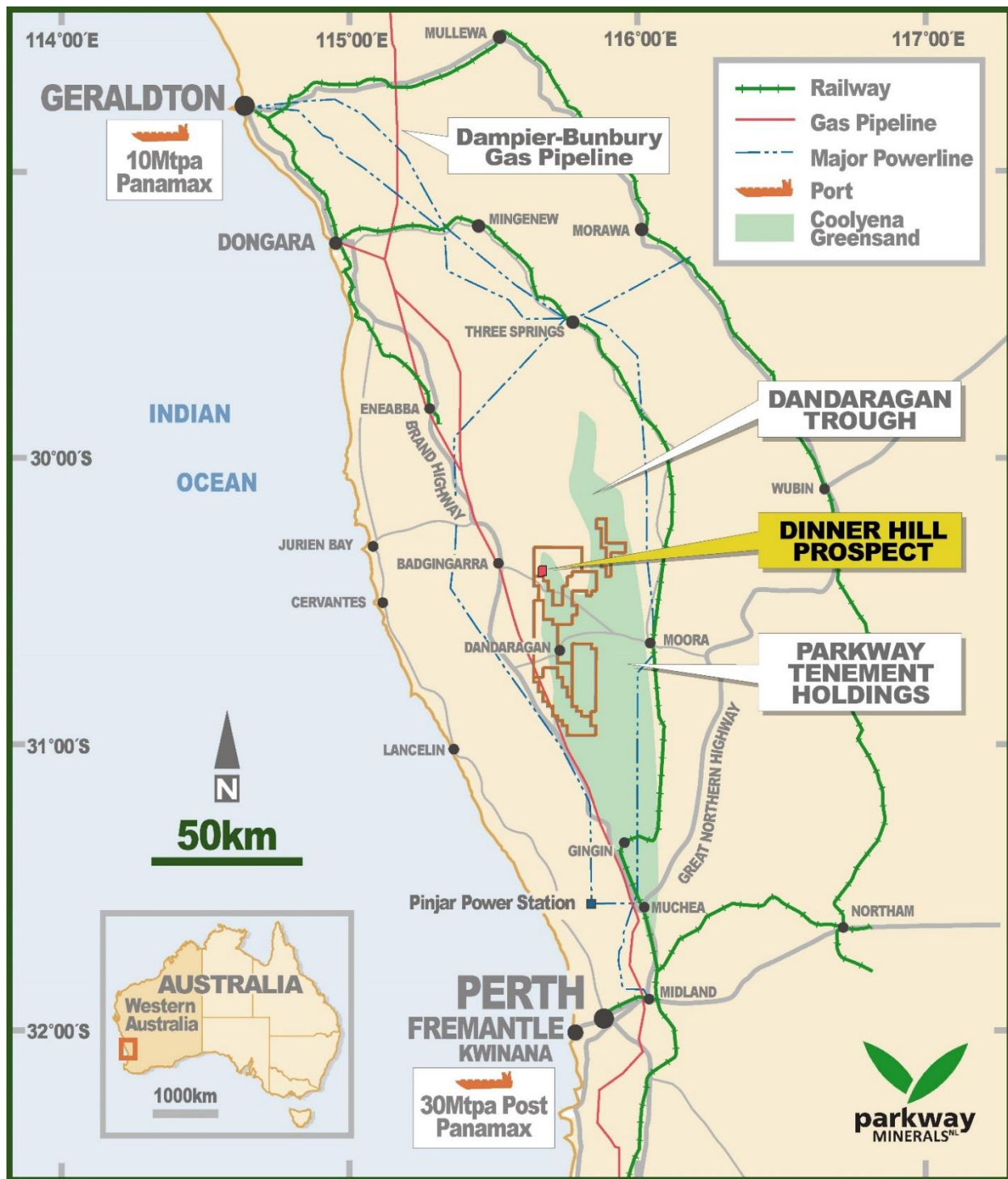


Figure 4: Location plan, Dandaragan Trough Project

The DTP has unique advantages of excellent connectivity to transport facilities, infrastructure and proximity to local and regional markets. It is located within an easy drive from Perth, and is less than 200km from two major bulk export ports, Kwinana and Geraldton. It is well situated in relation to major project infrastructure, and significant local and regional markets for its products.

## Dinner Hill Resource Statement

The resources for the Dinner Hill project were recalculated during September 2017 and reported to ASX on 26 September. The resources cover an area of approximately 52 km<sup>2</sup> and are shown in table 1.

### DINNER HILL RESOURCE

**Table1 Dinner Hill Deposit: Resource Summary**

Resource	Category	Tonnes (Mt)	P <sub>2</sub> O <sub>5</sub> (%)	K <sub>2</sub> O (%)
<b>Phosphate</b>	Indicated	<b>160</b>	<b>2.45</b>	
	Inferred	<b>470</b>	<b>1.7</b>	
	<b>Total</b>	<b>630</b>	<b>1.85</b>	
<b>Potash</b>				
Potash Resources included within the Phosphate Resource area	Indicated	160		4.2
	Inferred	470		4.4
	Total	630		4.4
Potash Resource outside the Phosphate Resource area	Indicated	50		2.65
	Inferred	230		2.6
	Total	280		2.6
<b>Total Potash Resources</b>	Indicated	210		3.8
	Inferred	700		3.8
	<b>Totals</b>	<b>910</b>		<b>3.8</b>

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

### DAVENPORT RESOURCES

Davenport Resources (DAV) is focused on the development of the South Harz potash field in Thuringia, Central Germany. Davenport owns 2 exploration licences and 3 mining licences (figs 4 & 5). The mining licences were purchased from the German Government in late 2017 (ASX release 25 October 2017) and are perpetual, with no expenditure or royalty commitments. The mining licences were subject to detailed drilling in 1960s and 80s, when the field was owned by the Government of East Germany. Data from over 100 drill holes is available. Review of the drill data is in progress and has allowed reporting significant historic (Soviet era) resources (refer announcements 15 & 16 November 2017)

Due to the high quality of the drilling information it has been possible to use the historic data to estimate a JORC inferred resource on the Ebeleben licence, after the period, (DAV ASX announcement 16 April 2018), that resource includes 324 M tonnes of silvinite at a grade of 15.6% K<sub>2</sub>O. Work is now in progress to evaluate other historical resources.

Confirming the Ebeleben resource triggered the Milestone 1 of the Vendors Agreement (refer DAV ASX release 19 Jan 2017) and Parkway were issued a further 17.9 M Davenport shares. Parkway now owns 37.1 M shares.

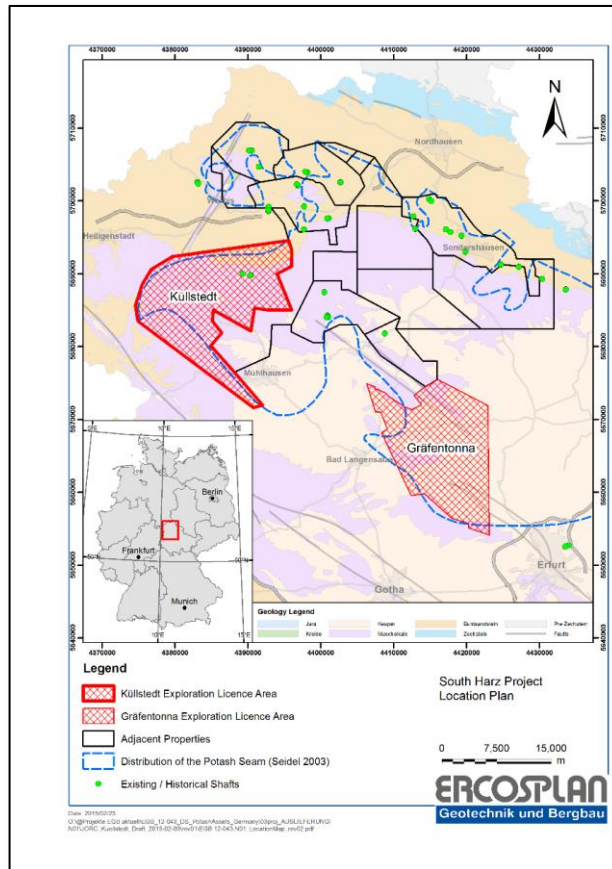


Figure 4: South Harz Project Location

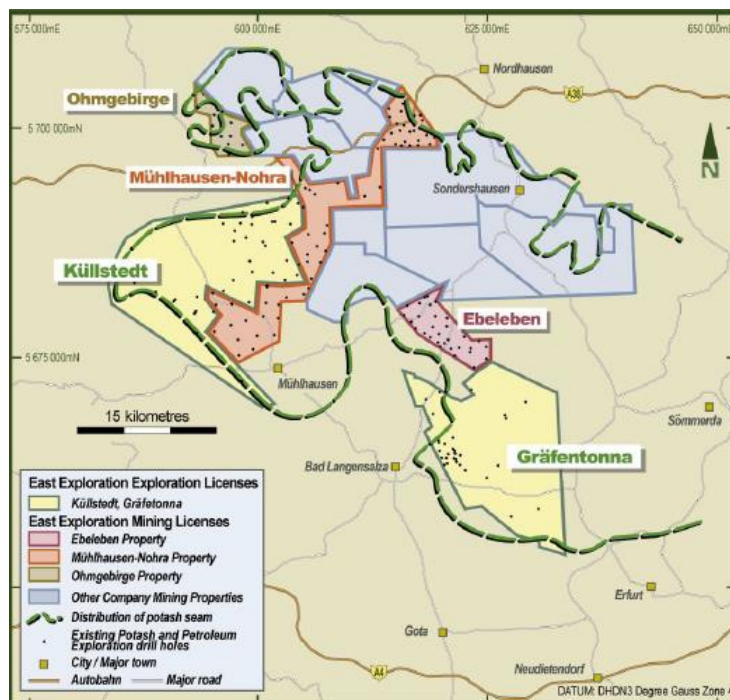


Figure 5: Location of mining and exploration licences

**SHAREHOLDINGS**

Parkway owns shares in the following ASX listed Companies:

- Lithium Australia (ASX LIT) 7.32 M
- Davenport (ASX:DAV) 37.1 M

Parkway owned 17.9 M milestone 2 Davenport shares that would have converted to shares on the decision to mine being made by January 2022. Discussions with engineering groups and regulators indicated that that timing was very ambitious and discussions with potential investors indicated that the milestone shares were a disincentive to invest. Consequently the holders of the milestone 2 shares agreed to cancel them. This was achieved on 10 April 2018 (refer DAV: ASX release 10 April 2018).

## **CORPORATE**

During January 2018 Parkway entered into a Controlled Placement Agreement (**CPA**) with Acuity Capital. The CPA will provide PWN with up to \$3 million of standby equity capital over the coming 3 years. PWN retains full control of all aspects of the placement process: having sole discretion as to whether or not to utilize the CPA, the quantum of issued shares the minimum issue price of shares and the timing of each placement tranche, if any. There are no requirements for PWN to utilize the CPA and PWN may terminate the CPA at any time, without cost or penalty. Acuity Capital and the CPA do not place any restrictions, at any time, on PWN raising capital through other methods. If PWN utilizes the CPA, PWN is able to set a floor price ( at its sole discretion) and the final issue price will be calculated as the greater of that floor price, set by PWN, and a 10% discount to a Volume weighted Average Price (VWAP) over a period of PWN's choosing ( at the sole discretion of PWN).

As collateral for the CPA, PWN has agreed to place 24 million shares from its LR7.1 capacity at nil consideration to Acuity Capital (collateral shares). PWN may, at any time, cancel the CPA and buy back the Collateral Shares for nil consideration (subject to shareholder approval). Refer to PWN ASX release 19 January 2018

Parkway monitors activities and opportunities that may be relevant to the Company's objectives. This may include expanding or changing the scope of existing projects or engaging with third parties on other projects. If a proposal advances, details would be announced in accordance with the Company's continuous disclosure obligations.

## **ANNOUNCEMENTS**

The following ASX announcements were made during the quarter:

16/03/2018	Half Year Accounts
07/03/2018	Company Secretary Appointment/Resignation
06/03/2018	Proactive Investors Note on Parkway Minerals
27/02/2018	Appendix 3B
21/02/2018	Presentation to Wholesale Investors Conference February 2018
19/01/2018	Change of Directors Interest Notices
19/01/2018	Quarterly Activities and Cashflow Report
19/01/2018	Appendix 3B

The following ASX announcements were made after the close of the period:

17/04/2018	Large Increase in Historic Resources at South Harz
05/04/2018	Change in substantial holding for DAV
04/04/2018	Parkway Issued a Further 17.9M Davenport Shares
03/04/2018	Clarification- JORC Compliant Resource at South Harz Project
03/04/2018	JORC Compliant Resource Established at South Harz Project

## **CASH ON HAND**

At 31 March 2018, \$1.78 million cash was available.

For further information contact:

Parkway Minerals NL:

Patrick McManus

Managing Director

Tel: +61 (08) 9479 5386

Email: [info@parkwayminerals.com.au](mailto:info@parkwayminerals.com.au)

Web: [www.parkwayminerals.com.au](http://www.parkwayminerals.com.au)

### **About Parkway Minerals**

*Parkway Minerals (ASX: PWN) is a company focused on developing fertiliser feedstock projects. The Company holds 1,900km<sup>2</sup> of exploration licenses and applications over Lake Barlee, where it is exploring a sulphate of potash project from the brines in the lake, north of Southern Cross in Western Australia.*

*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 1,050km<sup>2</sup> in the greensand deposits of the Dandaragan Trough, in Western Australia's Perth Basin. The area is prospective for both phosphate and potash. Previous exploration indicates glauconite sediments are widespread for more than 150km along strike and 30km in width. A pre-feasibility study is in progress for stage 1, production of phosphate fertilisers. 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 owns 37.1M shares (34%) of Davenport Resources, which owns 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**

*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 26 September 2017 and 28 September 2017. Parkway Minerals 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.*



## 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, 01/05/13, 01/09/16

### Name of entity

Parkway Minerals NL

### ABN

62 147 346 334

### Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	11	31
1.2 Payments for		
(a) exploration & evaluation	(123)	(453)
(b) development		
(c) production		
(d) staff costs	(140)	(352)
(e) administration and corporate costs	(125)	(677)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	8
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	88
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(372)</b>	<b>(1,355)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(98)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>		<b>(98)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares		1,377
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Equity Raising Costs)		(23)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,354</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,154	1,881
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(372)	(1,355)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(98)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,354
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,782</b>	<b>1,782</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	132	354
5.2 Call deposits	1,650	1,800
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,782</b>	<b>2,154</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	140
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	400
9.2 Development	
9.3 Production	
9.4 Staff costs	145
9.5 Administration and corporate costs	148
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>693</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E29/1003 E29/1027 E70/5102 E77/2529	Application	0%	0%

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Director/~~Company secretary~~)

Date: 24 April 2018

Print name: Patrick McManus

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.