



## ASX Announcement

23 October 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

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West Perth WA 6872

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### ASX CODE

PWN

### FRANKFURT CODE

A1JH27

### CORPORATE INFORMATION

23 October 2018

595M Ordinary shares  
123M Partly paid shares  
18M Listed Options  
68M Unlisted options

### BOARD OF DIRECTORS

**Adrian Griffin**

(Non-Executive Chairman)

**Patrick McManus**

(Managing Director)

**Natalia Streltsova**

(Non-Executive Director)

## PARKWAY MINERALS NL SEPTEMBER 2018 QUARTERLY REPORT

Parkway Minerals (“PWN”, “Parkway” or “The Company”) is pleased to provide an update of activities for the September 2018 quarter.

### HIGHLIGHTS

#### Davenport Resources (44.3 million shares held, 32%)

- Inferred Resource of 1.1 billion tonnes announced on part of Mülhausen-Nohra mining licence
- Total Inferred Resource now 1.7 billion tonnes @ 11.4% K2O

#### Dandaragan Trough Project

- Drilling at Dambadgee Prospect indicates potential to increase Exploration Target

#### Strategic Investment

- PWN owns 7.32 million Lithium Australia shares

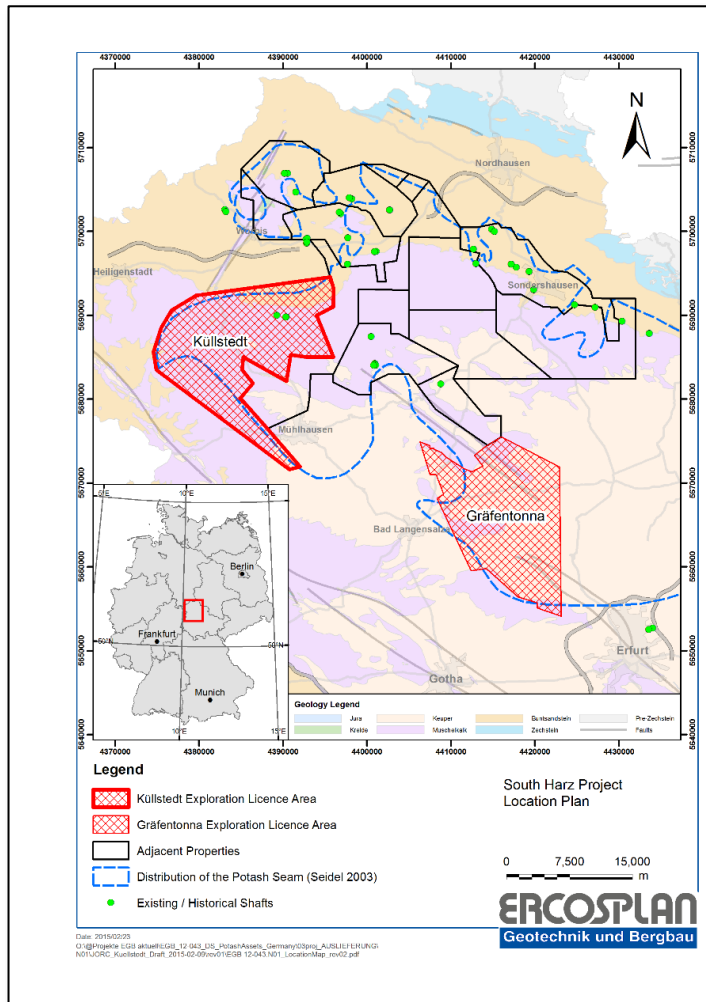
**DAVENPORT RESOURCES**

Davenport Resources (DAV) is focused on the development of the South Harz potash field in Thuringia, Central Germany. Parkway owns 44.2 million Davenport shares. Davenport owns 2 exploration and 3 mining licences (Figs 1 & 2). 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 of significant historic (Soviet era) resources. The quality of the drilling information is high, and Davenport is working to update the resources to JORC 2012 compliance. To date Ebeleben review has been completed, and allowed the upgrading of 224 million tonnes of historic resource to over 500 million tonnes of JORC Inferred Resource (refer DAV announcement 16 April 2018). Work is in progress on the Mulhausen-Nohra licence.

Subsequent to the period end, Davenport announced a JORC Inferred Resource on one part of the Mulhausen-Nohra mining licence (ASX release 16 October 2018). This resource, 1.13 billion tonnes @ 11.1% K<sub>2</sub>O, including 834 million tonnes sylvinitite @ 12.1 % K<sub>2</sub>O is substantial, and increases the total Inferred Resource within the project to 1.7 billion tonnes, with substantial historic resources still to be evaluated and converted (if possible) to JORC compliant.

A capital raising, via a placement and a share purchase plan was completed during the period, raising \$2.4 million.



**Figure 1: South Harz Project location**

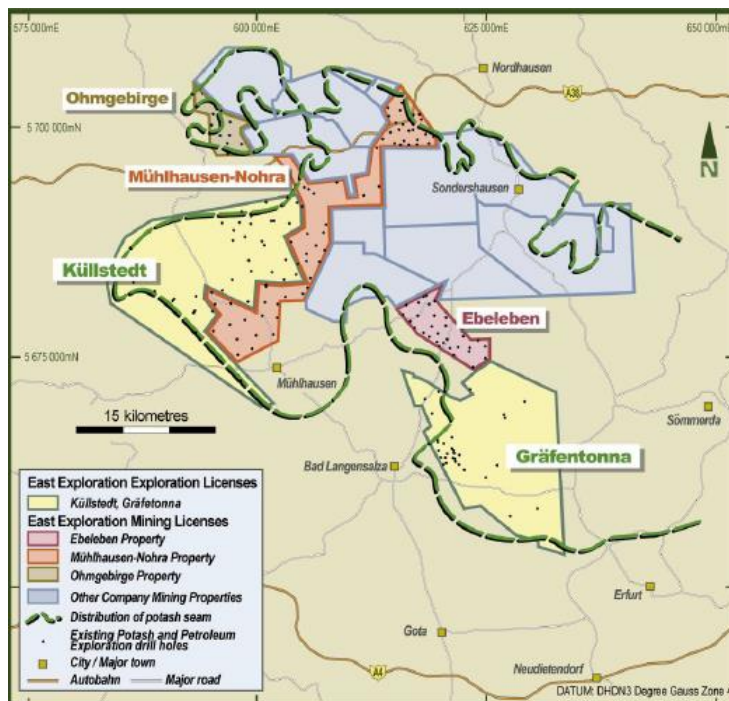


Figure 2: Location of mining and exploration licences

**DANDARAGAN TROUGH PROJECT**

Parkway holds 100% 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 sulphate of 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.

Results from a drilling programme on the Dambadgee Prospect were released during the period. At Dambadgee the greensand sequences are more extensive, seem much thicker, and have a flatter dip than at Dinner Hill, (Figures 4 & 5). Thicker ore, and the relative depth would offer a significant reduction in mining costs, and an enhancement in K-Max project value. The drilling also extends the deposit beyond the previously assumed eastern deposit boundary. In due course this may lead to an increase in the combined Dambadgee Potash Exploration Target of 3.2 to 4.25 billion tonnes (refer ASX announcement 28<sup>th</sup> September 2017).

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Figure 3: Location plan, Dandaragan Trough Project

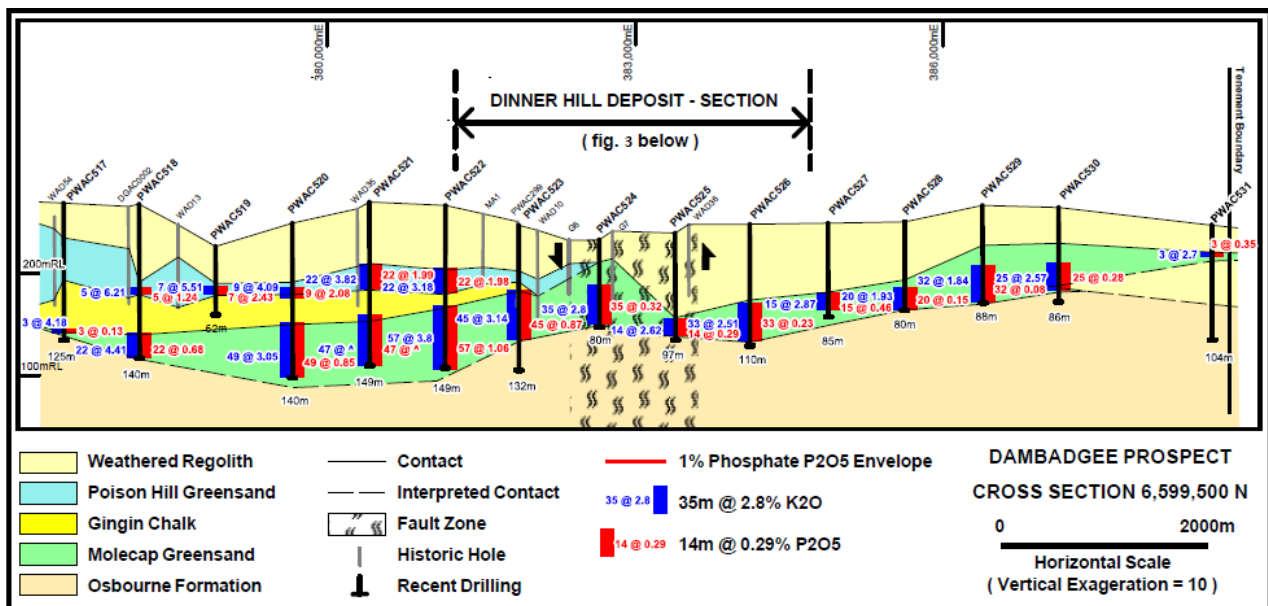


Figure 4: Cross-section through Dambadgee, Dandaragan Trough Project

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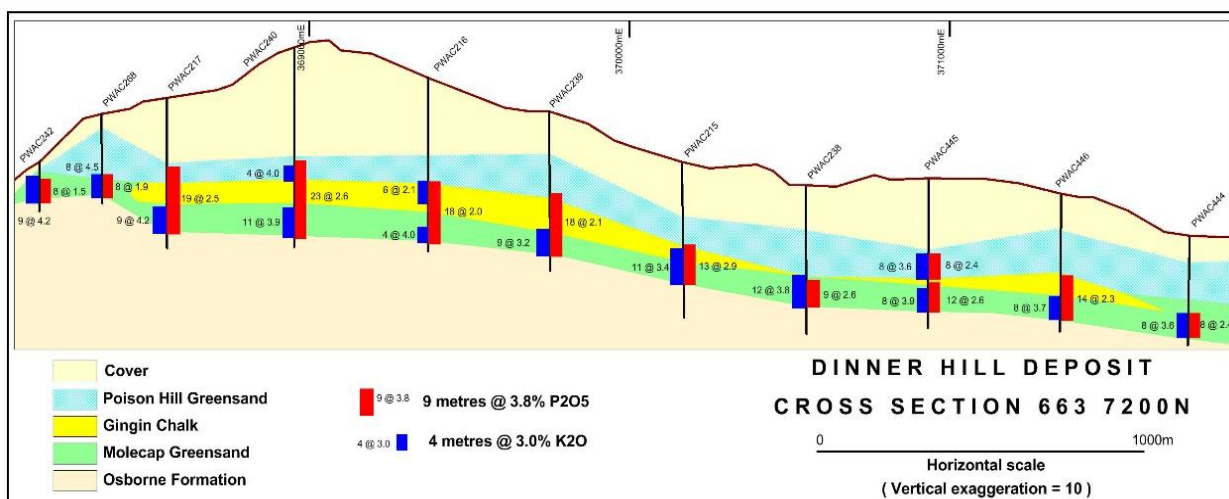


Figure 5: Typical cross-section through Dinner Hill, Dandaragan Trough Project

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 and reported to ASX on 26 September 2017. 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  | 160         | 2.45                              |                      |
|   | Inferred   | 470         | 1.7                               |                      |
|   | <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                  |
|   | <b>Total</b>   | <b>630</b>  |                                   | <b>4.4</b>           |
| Potash Resource outside the Phosphate Resource area | Indicated  | 50          |                                   | 2.65                 |
|   | Inferred   | 230         |                                   | 2.6                  |
|   | <b>Total</b>   | <b>280</b>  |                                   | <b>2.6</b>           |
| <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

**LAKE SEABROOK PROJECT**

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

**LAKE BARLEE PROJECT**

Results from the Lake Barlee programme were disappointing, with the average potassium levels being circa 1600 mg/liter (refer ASX announcement 8/8/18). The Company has relinquished the exploration licences covering this project.

**SHAREHOLDINGS**

Parkway owns shares in the following ASX listed Companies:

- Lithium Australia (ASX: LIT) 7.32 M
- Davenport (ASX: DAV) 44.3 M

Parkway participated in a Davenport capital raising, purchasing an additional 7.2 M shares at 7c.

**CORPORATE**

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:

|            |  |
|------------|--|
| 28/09/2018 | Appendix 4G                              |
| 28/09/2018 | Annual Report to shareholders            |
| 21/08/2018 | Appendix 3B                              |
| 21/08/2018 | Recent Dandaragan Trough Drilling        |
| 15/08/2018 | Results of Meeting                       |
| 8/08/2018  | Lake Barlee Drilling Results             |
| 30/07/2018 | Quarterly Activities and Cashflow Report |
| 24/07/2018 | Becoming a substantial holder            |
| 12/07/2018 | Notice of General Meeting/Proxy Form     |
| 10/07/2018 | Change in substantial holding for DAV    |

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

|            |  |
|------------|--|
| 3/10/2018  | Director Resignation & Appendix 3Z                   |
| 16/10/2018 | Significant Resource Upgrade for Davenport Resources |

**CASH ON HAND**

At 30 September 2018, \$0.67 million cash was available.

For further information contact:

Parkway Minerals NL:

Patrick McManus

Managing Director

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### **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.*

Details of Mining Tenements at Quarter ended 30 September 2018 ASX Listing Rule 5.3.3

#### **Australian Project**

| <b>Tenement ID</b> | <b>Name</b> | <b>Location</b> | <b>State</b> | <b>Interest</b> |
|--------------------|-------------|-----------------|--------------|-----------------|
| E70/3987           | Dinner Hill | Dandaragan      | WA           | 100%            |
| E70/4137           | Jam Hill    | Dandaragan      | WA           | 100%            |
| E70/4138           | Bald Hill   | Dandaragan      | WA           | 100%            |
| E70/4471           | Watheroo    | Dandaragan      | WA           | 100%            |
| E70/4609           | Dandaragan  | Dandaragan      | WA           | 100%            |
| E70/4687           | Dandaragan  | Dandaragan      | WA           | 100%            |
| E70/5102           | Dandaragan  | Dandaragan      | WA           | 100%            |

## 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")**

30 September 2018

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(03 months)<br>\$A'000 |
|---|----------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                            |  |
| 1.1 Receipts from customers                               | -                          | -                                      |
| 1.2 Payments for  |                            |  |
| (a) exploration & evaluation                              | (373)                      | (373)                                  |
| (b) development   |                            |  |
| (c) production  |                            |  |
| (d) staff costs   | (70)                       | (70)                                   |
| (e) administration and corporate costs                    | (166)                      | (166)                                  |
| 1.3 Dividends received (see note 3)                       |                            |  |
| 1.4 Interest received                                     | 3                          | 3                                      |
| 1.5 Interest and other costs of finance paid              |                            |  |
| 1.6 Income taxes paid                                     |                            |  |
| 1.7 Research and development refunds                      | 70                         | 70                                     |
| 1.8 Other (provide details if material)                   | -                          | -                                      |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(536)</b>               | <b>(536)</b>                           |

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



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

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(03 months)<br/>\$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>-</b>                           | <b>-</b>  |
| <b>3.</b>                                   | <b>Cash flows from financing activities</b>                                  |                                    |   |
| 3.1   | Proceeds from issues of shares   | 69                                 | 69  |
| 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)   | (22)                               | (22)  |
| <b>3.10</b>                                 | <b>Net cash from / (used in) financing activities</b>                        | <b>47</b>                          | <b>47</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                             | 1,165                              | 1,165   |
| 4.2   | Net cash from / (used in) operating activities (item 1.9 above)              | (536)                              | (536)   |
| 4.3   | Net cash from / (used in) investing activities (item 2.6 above)              | -                                  | -   |
| 4.4   | Net cash from / (used in) financing activities (item 3.10 above)             | 47                                 | 47  |
| 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>676</b>                         | <b>676</b>                                      |

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| 5. <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Bank balances  | 455                        | 745                         |
| 5.2 Call deposits  | 221                        | 420                         |
| 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>676</b>                 | <b>1,165</b>                |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

| Current quarter<br>\$A'000 |
|----------------------------|
| 70                         |
|                            |

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

**7. Payments to related entities of the entity and their associates**

- 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

| Current quarter<br>\$A'000 |
|----------------------------|
|                            |
|                            |

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

| 8. <b>Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | Total facility amount<br>at quarter end<br>\$A'000 | Amount drawn at<br>quarter end<br>\$A'000 |
|--|--|---|
| 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. |  |   |

| 9. <b>Estimated cash outflows for next quarter</b> | \$A'000    |
|--|------------|
| 9.1 Exploration and evaluation                     | 80         |
| 9.2 Development                                    |            |
| 9.3 Production                                     |            |
| 9.4 Staff costs                                    | 75         |
| 9.5 Administration and corporate costs             | 150        |
| 9.6 Other (provide details if material)            |            |
| <b>9.7 Total estimated cash outflows</b>           | <b>305</b> |

| 10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | Tenement reference and location   | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|---|--------------------|----------------------------------|----------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | E77/2347<br>E77/2409<br>E29/985<br>E77/2445<br>E77/2446<br>E77/2447<br>E29/1015<br>E77/2450<br>E77/2451<br>E77/2452<br>E57/1051 | SURRENDER          | 100%                             | 0%                         |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased           |   |                    |                                  |                            |

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**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: 23 October 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.