PARKWAY MINERALS NL
(Formerly Potash West NL)

ABN 62 147 346 334

Half-Year Financial Report

31 December 2016

Directors

Adrian Griffin
Patrick McManus
Chew Wai Chuen
Natalia Streltsova

Company Secretary

Amanda Wilton-Heald

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Stock Exchange Listing

Parkway Minerals NL shares are listed on the Australian Securities Exchange (ASX code: PWN) and OTC Pink (OTC Pink Code: PWNNY).

DIRECTORS' REPORT

Your Directors submit their report on Parkway Minerals NL (the "Company") (formerly Potash West NL) and the entities it controls ("Consolidated Entity" or "Group") for the half-year ended 31 December 2016.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Adrian Griffin ***Non-Executive Chairman***

Adrian Griffin, an Australian-trained mining professional, has had exposure to metal mining and processing worldwide during a career spanning more than three decades. A pioneer of the lateritic nickel processing industry, he has helped develop extraction technologies for a range of minerals over the years. Today, Adrian specialises in mine management and production. He was a founding director and executive of Washington Resources Limited and also a founding director of Empire Resources Limited and Ferrum Crescent Limited. Mr Griffin was also a founding director of ASX-listed Northern Minerals Limited and Reedy Lagoon Corporation Limited, of which he is currently a non-executive director. He is also managing director of ASX-listed Lithium Australia NL, which is a lithium project developer.

Other listed company directorships during the last 3 years:
Northern Minerals Ltd (Director June 2006 – present), Lithium Australia NL (Director February 2011 – Present) and Reedy Lagoon Corporation Limited (Director June 2014 – Present)

Adrian Griffin is also a member of the Audit Committee, Remuneration Committee and the Nomination Committee.

Patrick McManus ***Managing Director***

Patrick McManus has a degree in mineral processing from Leeds University and an MBA from Curtin University. A mining professional for more than 30 years, his work has taken him to many sites within Australia and overseas, including Eneabba and the Murray Basin in Australia, Madagascar, Indonesia and the United States. During that time, Patrick has worked in operational, technical and corporate roles for Rio Tinto, RGC Limited and Bemas Resources Limited. He was a founding director and, from January 2007 to March 2010, managing director of ASX-listed Corvette Resources Limited.

Other listed company directorships during the last 3 years:
Tungsten Mining NL (Director December 2012 – January 2015), Davenport Resources (Director January 2017 – Present)

Chew Wai Chuen ***Non Executive Director***

Mr Chew was a financial advisor with more than 15 years of industry experience, specialising in the provision of corporate and wealth management for ultra-high net worth individuals. With experience in South East Asia capital market and extensive networks of clients based in Singapore and Malaysia, Mr Chew will provide important contributions to the Board. He has successfully worked with a number of financial institutions in Singapore such as, Standard Chartered Bank, OCBC Bank and Credit Suisse Singapore.

Mr Chew is now a Managing Partner with a financial advisory firm, providing personal investing planning and wealth management for high net worth individuals and has a track record of investment into junior mining companies in Australia and South East Asia.

Other listed company directorships during the last 3 years:
Tungsten Mining NL (Director April 2014 – present)

Chew Wai Chuen is also a member of the Audit Committee, Remuneration Committee and the Nomination Committee.

Natalia Streltsova ***Non-Executive Director***

Dr Natalia Streltsova is a senior executive with over 25 years' experience in the minerals industry of which 15 years, prior to forming her own consulting business in 2014, was spent in various leadership and technical roles with major mining houses including Vale SA (formerly CVRD), BHP Billiton and WMC Resources Limited. In all of these roles, there was considerable interaction with operations to provide support as well as to identify and implement innovative projects leading to increased production and cost reduction.

Dr Streltsova has a strong background in mineral processing and metallurgy with broad international experience in project, technical and business development capacities. Dr Streltsova has previously been a director on a number of Vale subsidiary boards as well as on several collaborative industry boards. She was also a Non-Executive Director on ASX listed CopperMoly Limited.

Other listed company directorships during the last 3 years:
CopperMoly Limited (Director September 2013 – March 2014), Neometals Ltd (Director April 2016 – Present), Western Areas Ltd (Director November 2016 –Present)

As at the date of this report, Natalia Streltsova is also a member of the Audit Committee and Chair of the Remuneration and Nomination Committee.

Company Secretary

Amanda Wilton-Heald

Amanda Wilton-Heald is a Chartered Accountant with over 19 years of experience in Australia and UK.

RESULTS OF OPERATIONS

The net loss of the group for the six months to 31 December 2016 is $1,713,234 (2015: $816,254). The net loss was largely due to expenditure on mineral exploration and evaluation and an impairment loss on financial assets of $872,796 (2015: nil). Included in but offsetting the net loss was a profit of $101,927 in respect of Group's interest in East Exploration Pty Ltd. During the half year, the Company also received Research & Development offset grants of $133,029.

REVIEW OF OPERATIONS

Company Name

The company changed its name from Potash West to Parkway Minerals at its AGM in November 2016. This was done as the revenue stream from the Dinner Hill project is predicted to be dominated by phosphate (40%) with potash (30%) and Alum (25%) being key co-products. The name Parkway Minerals was chosen to allow retention of the ASX code PWN.

Dandaragan Trough Project

Parkway Minerals NL ("**Parkway Minerals**", **PWN** or "**the Company**") is developing the Dinner Hill project, which is part of the larger Dandaragan Trough exploration area.

The Dandaragan Trough project is focused on exploiting the large greensands deposits which commence less than 100 km to the north of Perth, Western Australia. The objective is to produce potash and single superphosphate fertilisers and a range of valuable by-products from the glauconite and phosphate present within the greensands. The current target is to develop the Dinner Hill deposit, which is the site of our first resources in the Trough. To achieve a rapid route to cashflow the project is being considered as two stages:

- Stage 1: a project producing single superphosphate using well-established processing techniques and a low capital requirement, and
- Stage 2: a project using the proprietary K-Max process to produce potash, phosphates and other products from the glauconite present in the greensands.

The greensands within the Dandaragan Trough are widespread. The Dinner Hill project area covers approximately 60 km^2 in the north-west of the Trough (Figure 1). Within the project area PWN has established an Exploration Target of 1,200Mt to 1,800Mt of fresh greensand at a grade of between 3.5% and 4.0% K_2O. This area partially overlaps a phosphate Exploration Target of 550-800Mt of phosphate mineralisation at a grade of between 2% and 2.8% P_2O_5. (refer ASX announcement 22 July 2015).

An area of approximately 18 km^2 within Dinner Hill has been drilled to establish Indicated and Inferred Mineral Resources for potash (recoverable by using the K-Max process) and phosphate. The higher grade portion of the K-Max resource occurs in the Molecap Greensand. Nodular phosphate mineralisation at Dinner Hill occurs within a chalk unit, the Gingin Chalk, and in upper and lower greensand units, the Poison Hill Greensand and the Molecap Greensand. Current resource figures are shown in Table 1:

REVIEW OF OPERATIONS(continued)

Table 1: Dinner Hill Resource Statement [1]

Resource	**Category**	**Tonnes (Mt)**	**% P_2O_5**	**% K_2O**
Phosphate	Indicated	250	2.9	
	Inferred			
Total Phosphate Resources		250	2.9	
Potash Resources included within the phosphate resource area	Indicated	155		4.1
	Inferred	20		2
Phosphate Resources	Total	175		3.8
Potash resource outside the phosphate resource area	Indicated	18		3.8
				2
Total Potash Resource	Indicated	175		4.0
	Inferred	20		2
Potash Resource	Total	195		3.8

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

1 – ASX (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 200 km from two major bulk export ports - Kwinana and Geraldton, and is well situated in relation to major project infrastructure (Figure 1).

REVIEW OF OPERATIONS(continued)

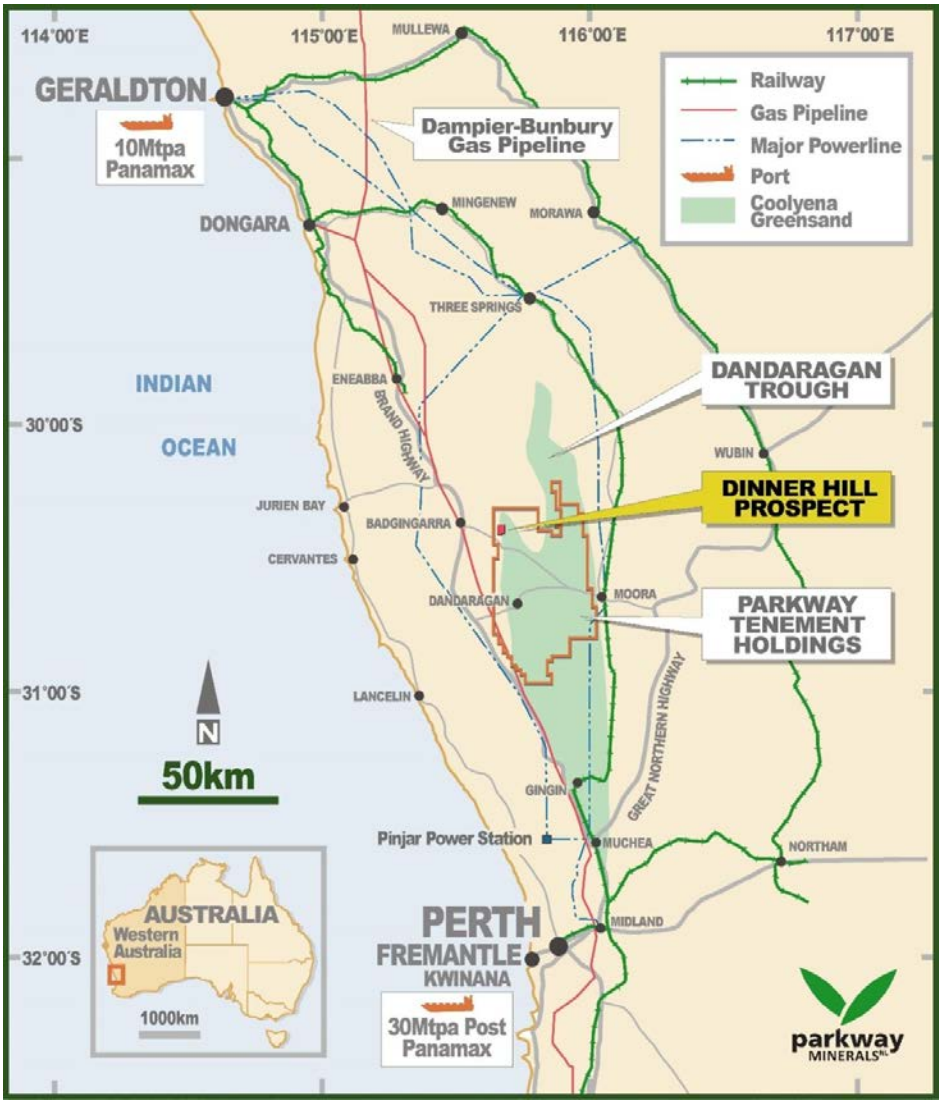

Figure 1 Dandaragan Trough tenement location

Dinner Hill Feasibility Study

Scoping Studies have been completed on Dinner Hill phosphate and potash projects (refer ASX releases 30 September 2015 and 13 January 2015). Commencing operations with a phosphate project is the preferred development plan as there is a shorter timeline to positive cashflow, lower technical risk and lower capital requirements.

Process design testwork commenced with KEMWorks Technology Inc. in September 2016. Kemworks are process design specialists in the phosphate industry, based in Central Florida, they have carried out process testwork for over 100 clients in over 30 countries. The work is still ongoing and an update is expected by the end of March 2017.

REVIEW OF OPERATIONS(continued)

Parkway Minerals is working with FTI Consulting to attract a Joint Venture partner to accelerate the completion of the feasibility study. This work is ongoing.

Lake Barlee

Parkway Minerals has applied for a number of Exploration Licences covering most of the Lake Barlee salt lake, north-east of Southern Cross, in Western Australia. Post the period end we have purchased a key exploration licence, covering the central part of the lake (Figure 2).

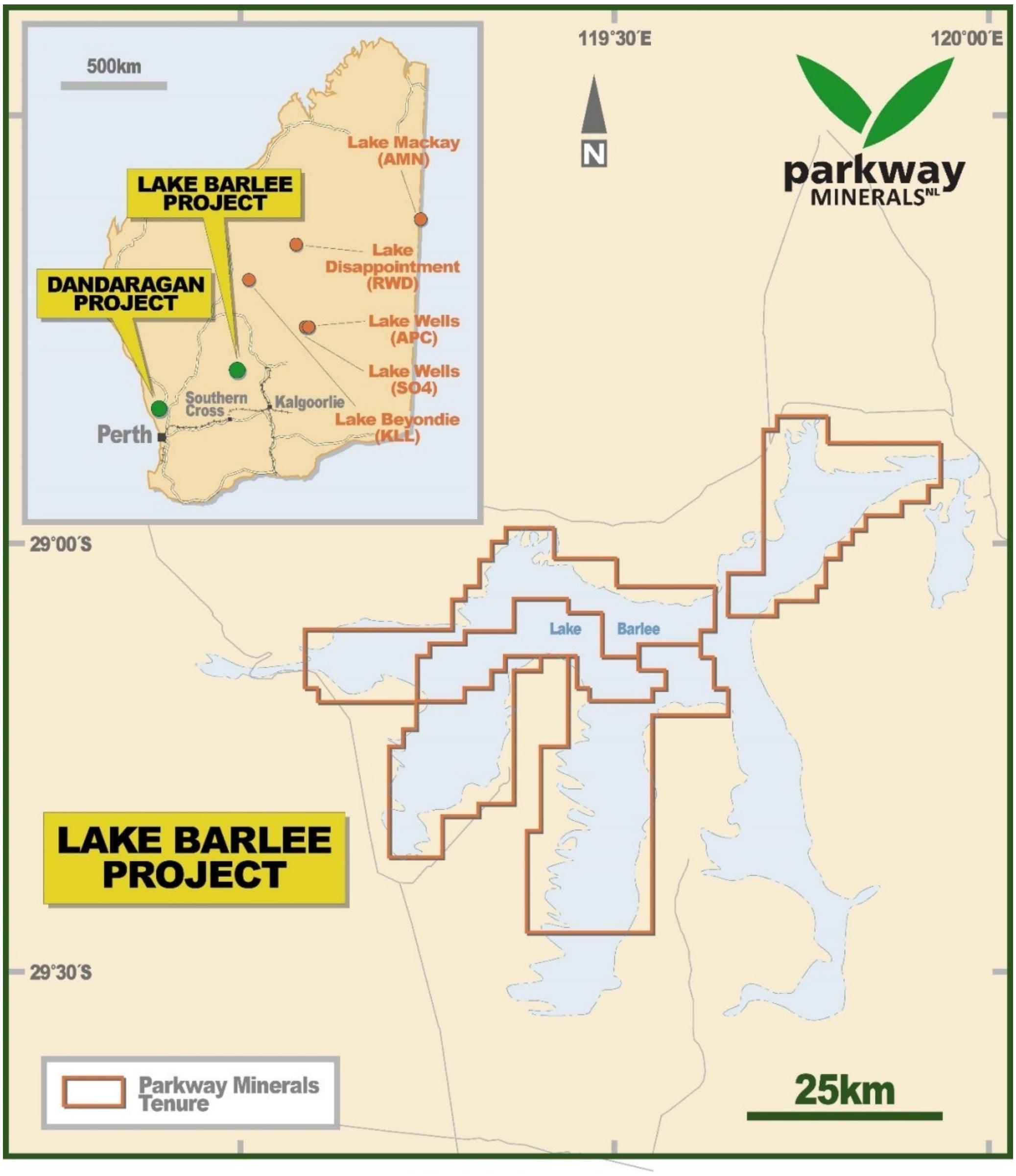

Figure 2 Lake Barlee tenement location

REVIEW OF OPERATIONS(continued)

Lake Barlee has potential as a source of both potash and lithium from brines within the lake's reservoir. Access to the lake has been limited by unseasonable rains. Drilling will take place in the next six months.

Technology

Parkway Minerals owns 97m shares of Lepidico ltd. Lepidico is focussed on lithium exploration and development of new lithium extraction technology. (See www.Lepidico.com). PWN is the 100% owner of K-Max technology, which has been proved effective in producing sulphate of potash, the preferred potash fertiliser, from glauconite. Whilst developed on the glauconite from the Dandaragan Trough, it has proved effective on other deposits.

South Harz Exploration

Vending of all of East Exploration into an ASX listed public company was completed over the year-end period, with Davenport Resources (DAV) listing in January 2017, after successfully raising $5.1m. Parkway Minerals holds 19.25m DAV shares, 26% of the company. PWN will be granted additional shares on achievement of performance milestones (refer ASX announcement 18 August 2015 for details):

- 17.87m on announcement of a JORC compliant Inferred Resource of certain grades and tonneages, and
- 17.87m on announcement of all approvals received to commence a mine.

Davenport holds exploration licences in the South Harz region of Germany (Figures 3 & 4). Work is now underway to review the exploration data on Gråfentonna and to plan the drilling programme on Küllstedt, which is expected to commence mid 2017.

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.

REVIEW OF OPERATIONS(continued)

Figure 3 South Harz project location

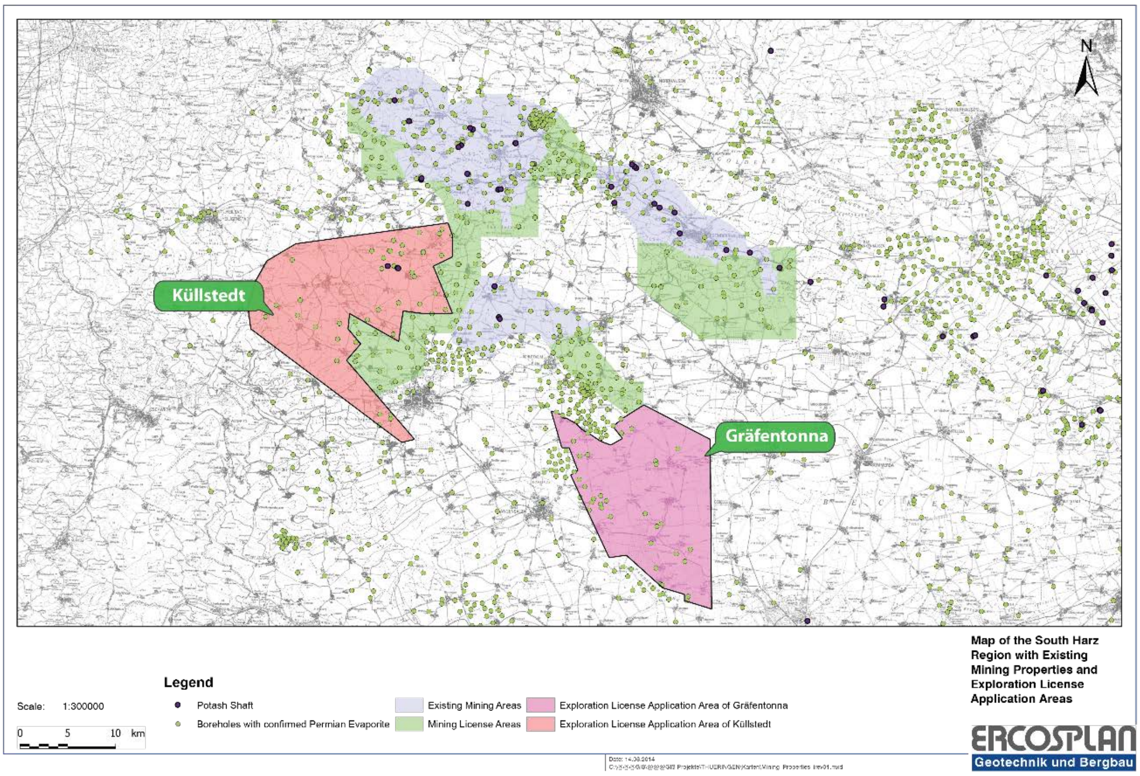

Figure 4 South Harz project tenements

REVIEW OF OPERATIONS(continued)

A review of some the archived exploration data relating to historical drilling on Küllstedt has been completed, and an Exploration Target estimated. This review confirmed the potential of the project to host thick sequences of sylvinite and carnallitite 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 Parkway Mineral website.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes have occurred in the state of affairs of the company.

Events subsequent to balance date

The listing of Davenport Resources Limited on the ASX on 19 January 2017, marked the completion of the corporate transaction, where PWN and others sold 100% of East Exploration into Davenport, which is now funded to complete evaluation drilling on the South Harz project area.

On February 6 2017, Lithium Australia announced its intention to make an off-market bid for Lepidico Ltd. Parkway Minerals has entered into an agreement with LIT to sell its shareholding in Lepidico(refer ASX announcement 6 February 2017).

On February 22 2017, Parkway Minerals and Dakota Minerals announced the sale of EL77/2347 from Dakota to Parkway. This tenement consolidates our ground holding within Lake Barlee.

Other than the above, there have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations or the state of affairs of the Company in future financial years other than disclosed elsewhere in this half-year report.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is set out on page 29.

Signed in accordance with a resolution of the Directors

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Patrick McManus
Director
Perth, 15 March 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	Half-year ended 31 December 2016 $	Half-year ended 31 December 2015 $
INCOME FROM CONTINUING ACTIVITIES			
Administration services		4,187	-
Interest		8,998	8,713
Option and exclusivity fee received		151,366	60,000
Government grant		133,029	179,094
TOTAL INCOME		**297,580**	**247,807**
EXPENSES FROM CONTINUING ACTIVITIES			
Impairment of financial assets		872,796	-
Administration		413,938	415,340
Depreciation		9,816	6,164
Equity based payments	9	100,599	84,371
Exploration		380,490	329,403
Legal		29,854	20,319
Occupancy		40,000	30,000
Remuneration (excluding equity based payments)		163,321	178,464
LOSS BEFORE INCOME TAX		**(1,713,234)**	**(816,254)**
Income tax expense		**-**	**-**
NET LOSS FOR THE PERIOD		**(1,713,234)**	**(816,254)**
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss:			
Available for sale financial assets			
- Current year losses		(872,796)	-
- Reclassified to profit or loss	6	872,796	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(1,713,234)**	**(816,254)**
LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Members of the controlling entity		(1,761,344)	(808,794)
Non-controlling interest		48,110	(7,460)
		(1,713,234)	**(816,254)**
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Members of the controlling entity		(1,761,344)	(808,794)
Non-controlling interest		48,110	(7,460)
		(1,713,234)	**(816,254)**
Basic and diluted loss per share (cents per share)	3	(0.53)	(0.32)

The consolidated statement of comprehensive income should be read in conjunction with theaccompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 $	30 June 2016 $
CURRENT ASSETS			
Cash and cash equivalents	5	2,100,573	487,547
Trade and other receivables		455,968	32,486
Other assets		4,161	-
		2,560,702	520,033
Assets included in disposal group classified as held for sale	15	102,882	152,290
Total Current Assets		2,663,584	672,323
NON CURRENT ASSETS			
Exploration and evaluation		2,575,000	2,500,000
Financial Assets	6	1,066,751	1,939,547
Plant and equipment		37,259	41,272
Total Non-Current Assets		3,679,010	4,480,819
TOTAL ASSETS		**6,342,594**	**5,153,142**
CURRENT LIABILITIES			
Liabilities included in disposal group held for sale	15	-	151,351
Trade and other payables		218,018	429,447
Provisions		65,039	69,870
Total Current Liabilities		283,057	650,668
TOTAL LIABILITIES		**283,057**	**650,668**
NET ASSETS		**6,059,537**	**4,502,474**
EQUITY			
Issued capital	7	20,864,720	17,634,147
Reserves	8	688,643	648,934
Accumulated losses		(15,527,561)	(13,766,217)
		6,025,802	4,516,864
Non-controlling interest		33,735	(14,390)
TOTAL EQUITY		**6,059,537**	**4,502,474**

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued Capital	Accumulated Losses	Share and Option Based Payment Reserve	AFS Reserve	Non-controlling interest	Total
	$	$	$	$	$	$
Balance at 1 July 2015	16,776,781	(13,595,959)	628,908	-	-	3,809,730
Loss for the period	-	(808,794)	-	-	(7,460)	(816,254)
Other comprehensive income (net of tax):	-	-	-	-	-	-
Total comprehensive loss for the period (net of tax)	-	(808,794)	-	-	(7,460)	(816,254)
Transactions with owners in their capacity as owners:						
Shares issued	761,000	-	-	-	-	761,000
Share issued transaction costs	(96,866)	-	-	-	-	(96,866)
Share based payments	125,746	-	20,026	-	-	145,772
Balance at 31 December 2015	**17,566,661**	**(14,404,753)**	**648,934**	**-**	**(7,460)**	**3,803,382**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued Capital	Accumulated Losses	Share and Option Based Payment Reserve	AFS Reserve	Non-controlling interest	Total
	$	$	$	$	$	$
Balance at 1 July 2016	**17,634,147**	**(13,766,217)**	**648,934**	**-**	**(14,390)**	**4,502,474**
Loss for the period	-	(1,761,344)	-	-	48,110	(1,713,234)
Other comprehensive income (net of tax)	-	-	-	-	-	
Available for sale financial asset losses	-	-	-	(872,796)	-	(872,796)
Reclassification to profit or loss	-	-	-	872,796	-	872,796
Total comprehensive loss for the year (net of tax)	**-**	**(1,761,344)**	**-**	**-**	**48,110**	**(1,713,234)**
Transactions with owners in their capacity as owners:						
Shares issued	3,305,239	-	-	-	15	3,305,254
Share issued transaction costs	(236,515)	-	-	-	-	(236,515)
Share-based payments	161,849	-	39,709	-	-	201,558
Balance as at 31 December 2016	**20,864,720**	**(15,527,561)**	**688,643**	**-**	**33,735**	**6,059,537**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	Half-year ended 31 December 2016	Half-year ended 31 December 2015
		$	$
OPERATING ACTIVITIES			
Other Receipts		1,103	14,805
Payments to suppliers and employees		(1,181,051)	(1,067,512)
Government grant received		133,029	179,094
Interest received		8,998	8,713
NET CASH FLOWS USED IN OPERATING ACTIVITIES		**(1,037,921)**	**(864,900)**
INVESTING ACTIVITIES			
Deposit paid		(431,069)	-
Payments for exploration expenditure		(75,000)	-
Option fee received		-	100,000
Payments for plant and equipment		(5,803)	-
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		**(511,872)**	**100,000**
FINANCING ACTIVITIES			
Proceeds from issue of shares		3,305,254	761,000
Share issue costs		(190,907)	(96,866)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**3,114,347**	**664,134**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,564,554	(100,766)
Cash and cash equivalents at the beginning of the period		638,901	1,542,256
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	**2,203,455**	**1,441,490**

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Note 1: Basis of preparation of the half-yearly financial report

This interim condensed financial report for the half-year ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 15 March 2017. The financial report has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2016 and considered with any public announcements made by Parkway Minerals NL during the half-year ended 31 December 2016 in accordance with continuous disclosure obligations of the *ASX Listing Rules*.

The half-year financial statements do not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full and understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report which is available at www.parkwayminerals.com.au.

The half-year financial statements have been prepared on the basis of accrual accounting and historical costs and the same accounting policies and methods of computation were followed as in the most recent annual financial statements

Going concern basis

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The consolidated entity has incurred a net loss for the period ended 31 December 2016 of $1,713,234 (31 December 2015: $816,254) and incurred net cash outflows from operating activities of $1,037,921 (31 December 2015: $864,900). The consolidated entity has successfully raised $3,305,239 in cash through a share purchase plan and s708 placement during the half-year ended 31 December 2016.

The Directors have reviewed the consolidated entity's financial position and are of the opinion that while the Group will be able to meet its ongoing operation commitments, additional funds may be required for future exploration programs. The Directors believes the consolidated entity will be successful in securing additional funds through future share and right issues.

Should the consolidated entity not be able to raise funds from equity raisings, placements or other sources, there is significant uncertainty whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets nor to the amounts or classification of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

Note 1: Basis of preparation of the half-yearly financial report (continued)

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

New or revised standards and interpretations that are first effective in the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. There are no new and revised standards that have any material impact of the Group's Financial Statements.

Note 2: Segment reporting

The consolidated entity has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

The Consolidated entity currently does not have production and is only involved in exploration. As a consequence activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of manager and country of expenditure. Information is reviewed on a whole of entity basis.

Based on these criteria, the consolidated entity only has one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in note 1 for the computation of the consolidated entity's results presented in this set of financial statements.

Note 3: Earnings per share

	2016	2015
	$	$
Basic loss per share (cents per share)	0.53	0.32
Diluted loss per share (cents per share)	0.53	0.32
Loss used in calculating basic and diluted loss per share	(1,761,344)	(808,794)
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	329,319,019	251,600,729

During the period there were no listed or key management personnel options exercised.

The options on issue are not considered dilutive for the purpose of the calculation of diluted loss per share as their conversion to ordinary shares would not decrease the profit from continuing operations per share. Consequently, diluted loss per share is the same as basic loss per share.

There have been no transactions involving ordinary shares or potential shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Note 4: Contingent liabilities and contingent assets

The consolidated entity does not have any contingent assets or liabilities outstanding at 31 December 2016 (30 June 2016: Nil).

Note 5: Cash and cash equivalents

Cash and cash equivalents presented in the consolidated statement of cash flows is reconciled to the consolidated statement of financial position as follows:

	31-Dec-16	30-Jun-16
	$	$
Cash at bank and on hand	2,100,573	487,547
Included in assets held for sale (Note 15)	102,882	151,354
	2,203,455	638,901

Note 6: Financial assets

	31-Dec-16	30-Jun-16	31-Dec-15
	$	$	$
Investment - available for sale financial assets	1,066,751	1,939,547	75,000
	1,066,751	1,939,547	75,000

Reconciliation of movement for the period:

Opening Balance	1,939,547	75,000	75,000
Gain on conversion of shares in Lepidico to shares in Platypus	-	2,834,320	-
Loss on decline in fair value at the end of the period	(872,796)	(969,773)	-
	1,066,751	**1,939,547**	**75,000**

During the 2016 financial year, the Consolidated entity has received 96,977,330 Platypus shares in consideration of their interest in Lepidico. The Consolidated entity has recognised a gain on conversion of Lepidico shares amounting to $2,834,320 and has recognised an impairment loss of $969,773 as at 30 June 2016.

As at 31 December 2016, the Consolidated entity has recognised an impairment loss of $872,796 for the financial assets due to the significant decline in value during the period.

The available-for-sale financial assets are valued at market value as traded on the ASX and are considered to be level 1 in the fair value hierarchy.

Note 7: Issued capital

Ordinary Shares	**Number**	**$**
At 1 July 2015	211,005,055	17,111,806
Issue of 250,000 shares to consultant in lieu of services provided	250,000	12,000
Issue of 600,000 shares to consultant in lieu of services provided	600,000	30,000
Issue of 100,000 shares to consultant in lieu of services provided	100,000	5,000
Issue of 300,000 shares to consultant in lieu of services provided	300,000	14,400
Issue of 19,025,000 shares via private share placement	19,025,000	761,000
Issue of 935,278 shares to directors and senior management via remuneration	935,278	28,619
Issue of 110,903 shares to directors and senior management via remuneration	110,903	3,438
Shares to be issued under the director and senior management fee and remuneration sacrifice share plan	1,633,481	32,288
Equity Raising Costs		(96,865)
At 31 December 2015	**233,959,717**	**17,901,686**
Less Reserved Shares		
At 31 December 2015	(3,150,000)	(335,025)
At 31 December 2015	**230,809,717**	**17,566,661**
Issue of 105,517 shares to consultant via employees share plan	105,517	3,271
Issue of 448,338 shares to directors and senior management via remuneration sacrifice share plan	448,338	32,040
Shares to be issued under the director and senior management fee and remuneration sacrifice share plan	1,061,433	32,175
At 30 June 2016	**232,425,005**	**17,634,147**

Note 7: Issued Capital (Continued)

Ordinary Shares	**Number**	**$**
At 1 July 2016	**235,575,005**	**17,969,172**
Issue of 57,127,998 shares via private placement	57,127,998	1,713,840
Issue of 37,700,063 shares via share purchase plan	37,700,063	1,130,982
Issue of 15,280,667 shares via private placement	15,280,667	458,420
Issue of 425,652 shares to consultant in lieu of services provided	425,652	13,000
Issue of 196,640 shares to consultant for the capital raising services	196,640	5,899
Issue of 1,643,218 shares to consultant in lieu of services provided	1,643,218	48,600
Issue of 1,074,974 shares to directors and senior management via remuneration sacrifice share plan	1,074,974	32,175
Issue of 254,128 shares to consultant in lieu of services provided	254,128	7,500
Issue of 203,664 shares to consultant in lieu of services provided	203,664	6,000
Issue of 40,779 shares via conversion of partly paid shares	40,779	1,998
Shares to be issued under the director and senior management fee and remuneration sacrifice share plan and to consultants*	1,946,314	48,674
Equity Raising Costs	-	(236,515)
As at 31 December 2016	**351,469,102**	**21,199,745**
Reserved Shares	(3,150,000)	(335,025)
At the end of the reporting period	**348,319,102**	**20,864,720**

** Shares have not yet been issued, with the number of shares to be determined at issue date, dependent on the market share price.*

Contributing Shares - Partly Paid	**Number**	**$**
At 1 July 2015	35,960,024	-
At 30 June 2016	**35,960,024**	**-**
Issue of 40,779 fully paid shares via conversion of partly paid shares	(40,779)	-
Issue of 87,381,076 partly paid contributing shares pursuant to non-renounceable entitlement issue	87,381,076	-
As at 31 December 2016	**123,300,321**	**-**

Note 8: Reserves

Reconciliation of value of share-based payment reserve	**31-Dec-16**	**31-Dec-15**
	$	**$**
At the beginning of the reporting period	**648,934**	**628,908**
Amount expensed for options issued to consultant. 3,500,000 options with an exercise price of $0.07	-	20,026
Amount expensed for options issued to consultant. 3,054,503 options with an exercise price of $0.0375	39,709	-
At end of the reporting period	**688,643**	**648,934**

Reconciliation of total options on issue

	Options issued as share-based payments	**Other options issued**	**Reserved shares issued**	**Total**
As at 1 July 2015	**4,042,188**	**1,000,000**	**3,150,000**	**8,192,188**
Issued during the period	3,500,000	14,250,000	-	17,750,000
Expired during the period	(2,350,000)	-	-	(2,350,000)
As at 31 December 2015 & 30 June 2016	**5,192,188**	**15,250,000**	**3,150,000**	**23,592,188**
Issued during the period	3,054,503	-	-	3,054,503
Expired during the period	-	(200,000)	-	(200,000)
As at 31 December 2016	**8,246,691**	**15,050,000**	**3,150,000**	**26,446,691**

Note 9: Equity based payments

	31-Dec-16 $	31-Dec-15 $
Shares issued to directors, senior management and consultants (note a)	100,599	64,345
Options issued to consultants (note b)	-	20,026
Total equity-based payment expense	**100,599**	**84,371**

Options issued to consultants recognised as share issue costs in equity (note b)	39,709	-
	39,709	**-**

Note a
All shares were issued for nil cash consideration and were valued at market fair value which was considered to approximate the fair value of the services provided.

On 5 September 2016, the Company issued 196,640 shares at $0.03 per share to consultants for the capital raising services provided. This issue was approved by shareholders at 2016 general meeting.

Note b
During the 2016 half year, in total 3,054,503 options were issued to consultants for equity raising services, which was recognised as part of issued capital.

The fair value of options granted under this plan was determined using a Black-Scholes option pricing methodology. Details of the valuation assumptions used are set out below.

Dividend yield (%)	Nil
Expected volatility*(%)	75
Risk-free interest rate (%)	1.5
Expected life (years)	2.82
Share price ($)	$0.03
Exercise price($)	$0.0375

**Volatility was determined using considered judgement as to the volatility of the share price over the vesting period.*

In the prior period the options issued were as remuneration to consultants and included in the consolidated statement of comprehensive income as an expense.

Note 10: Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the period, the following transactions were undertaken between the Company, executive officers and director-related entities.

	31-Dec-16	31-Dec-15
	$	$
Reimbursements of travel expenses were made to Precious Capital Pte Ltd, a company of which Chew Wai Chuen is a director and shareholder.	4,254	5,904
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included investor relations, corporate advisory, office accommodation, accounting staff (excluding fees directly related to Robert Van der Laan), and administrative staff.	112,943	144,382
An amount was receivable from Lepidico Limited, a company which Parkway Minerals NL has an equity interest in.	-	18,763

Note 11: Commitments

The consolidated entity has certain obligations with respect to tenements and minimum expenditure requirements on areas, as follow:

	31-Dec-16	30-Jun-16
Within 1 year	1,106,000	1,206,000
1 to 2 years	1,106,000	1,206,000
	2,212,000	**2,412,000**

The commitments may vary depending upon additions or relinquishments of the tenements, as well as farm-out agreements. The above figures are based on the mines department reports as at 31 December 2016. The figures are adjusted on the anniversary date of each tenement and therefore the total can change on a monthly basis.

The company also entered into a lease of office premises during the year. The commitment as at 31 December 2016 is as follows:

	31-Dec-16	30-Jun-16
Within 1 year	60,000	-
1 to 2 years	60,000	-
	120,000	**-**

Note 12: Events subsequent to balance date

As announced to the market on 19 January 2017, the Company has finalised the sale of East Exploration Pty Ltd and has received 19,249,922 Davenport Resources Limited shares as the consideration for its interest in East Exploration Pty Ltd.

On 6 February 2017, the Company announced that it has entered into a pre-bid agreement to sell its 96,977,330 Lepidico shares to Lithium Australia NL.

On 8 February 2017, 500,000 unquoted options expired unexercised.

On 22 February 2017, the Company has purchased Lake Barlee exploration licence 77/2347 in WA from Dakota Minerals Limited, the total consideration for the transaction was $15,000 which has been settled by the issue of 692,151 fully paid shares on 24 February 2017.

On 24 February 2017, the company has issued 2,750,569 fully paid ordinary shares under the management fee and remuneration sacrifice share plan.

Other than the above, there have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than disclosed elsewhere in this half-year report.

Note 13: Financial instruments

There carrying value of all financial assets and financial liabilities is considered to equal their fair value due to their short-term nature.

Note 14: Dividends

No dividend has been paid or declared during the half-year and the directors do not recommend the payment of a dividend in respect of the financial period.

Note 15: Assets and liabilities included in disposal group classified as held for sale

On 18 August 2015, the company entered into a term sheet to sell its 55% interest in East Exploration Pty Ltd to Davenport Resources Pty Ltd (‘Davenport’), a wholly owend subsidiary of Arunta Resources Limited [ASX: AJR]. The sale was subsequently completed on 19 January 2017.

Note 15: Assets and liabilities included in disposal group classified as held for sale (continued)

Due to the expected sale of the interest in East Exploration Pty Ltd as at 31 December 2016, the assets and liabilities of East Exploration Pty Ltd have been presented as "held for sale" in the consolidated statement of financial position.

The major classes of assets and liabilities of East Exploration Pty Ltd classified as held for sale are as follows:

	31 Dec 2016	30 June 2016
Assets	**$**	**$**
Cash and Cash equivalents	102,882	151,354
Other current assets	-	936
Assets included in disposal group classified as held for sale	**102,882**	**152,290**
Liabilities		
Deferred income	-	151,351
Liabilities included in disposal group classified as held for sale	**-**	**151,351**
Net assets directly associated disposal group held for sale	**102,882**	**939**

DIRECTORS' DECLARATION

The Directors of Parkway Minerals NL declare that:

(a) the financial statements and notes set out on page 12 to 27 are in accordance with the Corporations Act 2001:
  - give a true and fair view of the financial position of the Company as at 31 December 2016 and of its performance for the half-year ended 31 December 2016 of the Company; and
  - comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001;

(b) subject to the matters discussed in Note 1, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

The declaration is made in accordance with a resolution of the Board of Directors.

____

Patrick McManus
Director
Perth

15 March 2017

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Auditor's independence declaration to the Directors of Parkway Minerals NL

As lead auditor for the review of Parkway Minerals NL for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Parkway Minerals NL and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

V L Hoang
Partner
15 March 2017

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Report on the half-year financial report to the members of Parkway Minerals NL

We have reviewed the accompanying half-year financial report of Parkway Minerals NL which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at half-year end or from time to time during the half year.

Directors' responsibility for the financial report

The directors of Parkway Minerals NL are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"), in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Parkway Minerals NL and the entity it controlled, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Building a better working world

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Parkway Minerals NL is not in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Ernst & Young

Ernst & Young

V L Hoang
Partner
Perth
15 March 2017